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## U.S. Says Economy Grew at Fast 7.5% Pace in 2d Quarter

By John M. Berry  
Washington Post Service  
WASHINGTON — The U.S. economy grew at an unexpectedly rapid 7.5 percent annual rate in the second quarter, while inflation dropped to less than a 4 percent rate, the Commerce Department reported Monday.

"It's exceptionally good news again," said the White House spokesman, Larry Speakes. He said the figures show that "economic growth in the recovery is stronger

The 7.5 percent rate of growth for GNP reported Monday was an upward revision from the so-called flash estimate of 5.7 percent, which was based on partial information before the quarter ended. Even the 5.7 percent was higher than most forecasters had predicted.

Inflation was at a 3.2 percent annual rate in the quarter, down from the 4.4 percent of the previous two quarters.

The strong GNP growth was achieved even though inventories remained unusually low compared to current sales, forecasters said that businesses could be expected to place new orders in an effort to increase their stocks of goods. That should mean a further rise in production and employment, analysts said.

Although they expressed satisfaction that the GNP showed strong growth, some administration officials remain concerned that unless it slows soon, interest rates will rise sharply.

Mr. Baldrige expressed optimism on this point. "As we shift gears to a slower and sustainable growth rate in the second half, and recoveries abroad gather strength, I think we'll see an easing of upward pressures on interest rates and the dollar," he said. "A large drop in interest rates and the dollar will be contingent upon further measures enacted next year to reduce the budget deficit."

Many economists expressed surprise at the new GNP figures. Jerry Jasinski of the National Association of Manufacturers called it "perplexing," and declared, "The business cycle has gone a little bananas. I would have expected consumer spending to have slowed by now."

But consumer spending on goods and services rose at a 6.9 percent annual rate in the April-June period, a rate exceeded during the recovery only by the surge in buying in the spring quarter a year earlier, when consumers increased their outlays at a 10 percent rate. Spending for personal consumption rose at a 4.6 percent rate in the first quarter.

Meanwhile, business investment in new plants and equipment rose at a 26.7 percent annual rate, almost identical to the 26.6 percent rate of the first quarter.

Gains in residential construction, however, slowed somewhat, because of rising mortgage interest rates. Housing investment was up at 9.5 percent rate, down from the 16.3 percent pace of the first quarter.

## Markets React To GNP News

■ The dollar set records in Europe. Page 9.  
■ U.S. stock prices dropped most of the day on fears that the GNP data may mean higher interest rates. Page 8.

than at any time since 1950. Inflation remains nailed down and the economy remains on track."

The department also revised its estimates of the gross national product for the past three years to show a somewhat deeper decline during the 1981-82 recession and a swifter recovery in the total output of the nation's goods and services. The increase in GNP in the first quarter of 1984 was revised upward to a 10.1 percent annual rate, adjusted for inflation, from the 9.7 percent estimated earlier.

In the year and a half since the recovery began, the economy has expanded at more than a 7 percent annual rate, far more rapidly than most economists had expected. Moreover, it has done so with little acceleration in inflation, an equally unexpected result.

"I don't know how you could write a script for a better recovery than you have right now," said Commerce Secretary Malcolm Baldrige. "Inflation seems to be under control now."

But he said that "we're not satisfied with every aspect of economic performance," particularly interest rates, exports and budget deficits.

"Capital spending has been a driving force in this economic upswing," he said.

Inflation adjusted spending for business plant and equipment, he said, rose by 25.5 percent since the fourth quarter of 1982.

"This is the strongest postwar increase... for comparable expansion periods," he said.



Some protesters were overcome by tear gas when police dispersed about 18,000 demonstrators in central Manila.

## Police in Philippines Break Up Protest by 18,000

Compiled by Our Staff From Dispatches

MANILA — About 2,000 policemen used tear gas and truncheons Monday to disperse 18,000 anti-government protesters shortly before President Ferdinand E. Marcos addressed the opening session of the National Assembly.

At least 13 of the protesters were treated at hospitals for minor fractures, bruises and gas inhalation.

The demonstration took place at Bonifacio Plaza in central Manila, several miles from the assembly building. There were no immediate reports of arrests.

Mr. Marcos told the assembly, which includes the largest opposition faction since he disbanded a U.S.-style congress and imposed martial law in 1972, that his emergency law-making powers make a return to martial law unnecessary.

He said demonstrations were a "necessary part of our democratic life," but contended they were being infiltrated and manipulated by communist subversives.

The president, who retains the power to make laws by decree, said the opening of the assembly marked the "full restoration of representative government."

Opposition leaders have said that if Mr. Marcos continues to exercise powers of decree, they will challenge their constitutionality in the Supreme Court.

Opponents of Mr. Marcos, who had held a maximum of 13 seats in the previous assembly, won 71 of the 183 contested seats during elections May 14.

The outcome of some contests is still in dispute. Seventeen of the 200 seats are filled by presidential appointees.

Supporters of Mr. Marcos remain in firm control of the assembly. They won their first vote Monday by electing a longtime Marcos ally, Nicanor Yniguez, 68, as speaker.

Mr. Marcos warned that the country still faced serious economic problems and what he called a festering communist insurgency that could exploit these problems. "If our republic falls, it will not fall into your hands," he said. "It will fall into the hands of those who seek political power through the barrel of a gun."

He added, "The fact of the matter is that the situation is fully under control, and even if the situation should deteriorate, we have precisely installed adequate checks and responses" to cope with this "without having to repair to martial law."

An opposition assemblyman, Ramon Mitra, said he had "heard it all before" and did not trust Mr. Marcos when he said he would not reimpose martial law.

Riot police had formed a wall across the main road leading to the assembly building on the outskirts of suburban Quezon City to keep back marchers led by Agapito Aquino, the brother of the assassinated opposition leader, Benigno S. Aquino Jr.

The marchers confronted the troops for nearly an hour before dispersing to join the larger demonstration in central Manila, where several groups were protesting Mr. Marcos's lawmaking powers, U.S. involvement in the Philippines, low wages, rising prices and alleged cheating in the National Assembly elections.

Police moved in about 10 minutes after Manila's police chief, Brigadier General Narciso Caprera, ordered the crowds to disperse.

He said the authorities revoked a

demonstration permit earlier granted to the protesters because of intelligence reports that they had been infiltrated by communists.

A protester was seen bleeding from the head and a bystander collapsed as police wearing gas masks threw tear gas canisters from their jeeps, and other officers, swinging sticks, chased protesters from the plaza.

About 5,000 demonstrators regrouped and marched toward a university, chanting "Marcos! Hitler! Dictator! Puppet!" as thousands of bystanders cheered them on.

The new assembly opened as the assembly sought a restructuring of most of its \$26-billion foreign debt, on which it has not been able to make payments for nine months.

In his acceptance speech, Mr. Yniguez said, "We meet in the shadow of a financial crisis which has all but arrested a rate of growth once considered without parallel in our economic history."

He said the country cannot af-

ford the "extravagance of party warfare."

"We shall neither engage in the luxury of unreasonable support nor unreasonable opposition," he said.

Meanwhile, bankers said that many Philippine banks suffered heavy cash withdrawals Monday after a savings bank, Banco Filipino, suspended operations at its 89 branches.

Small and medium-sized banks were the hardest hit, but commercial banks were barely affected.

Banco Filipino said it halted operations pending release of funds from the central bank, which said it had stopped assistance because the bank had misused funds.

The central bank governor, José Fernandez, said that the bank was "a fairly isolated case and does not represent the situation in the Philippines banking system."

Banco Filipino has about 3.7 million depositors and assets of 47 billion pesos (\$260 million).

(AP, Reuters)

## Early Results In Israel Show Peres, Shamir Splitting Vote

Compiled by Our Staff From Dispatches

TEL AVIV — Israel Television projected a virtual loss-up in the country's parliamentary election Monday, giving 46 seats to the opposition Labor Party and 43 to the governing Likud bloc in the 120-member Knesset.

The projection, based on exit polls at 35 voting stations, indicated both parties would fall short of an absolute majority in parliament.

The projected result gave both the Labor Party, led by Shimon Peres, and Prime Minister Yitzhak Shamir's Likud bloc chances of forming a coalition government with smaller factions.

According to the projection, Labor, together with long-time partners, would need another eight seats to put together a coalition government of 61 Knesset members. Likud and its traditional backers would need another 16 seats.

The television poll showed that former Defense Minister Ezer Weizman's Yahad Party, which had been expected to do well, got only two seats. Rabbi Meir Kahane's Kach Party got into the Knesset, the poll showed.

First official results were due shortly after midnight Monday. Israel voters by paper ballot, and full official returns were not expected until Aug. 6.

Earlier, Mordchai Gur, Labor's campaign manager, said: "It's going to be very hard with less than 50 seats." In the 1981 election, Likud won 48 seats and Labor 47.

Likud officials say 45 seats will be enough for them to form a coalition, and they say they have more potential coalition partners to allow them to stay in power.

Mr. Peres appealed to voters to give him a solid majority so he would not be dependent on splinter parties.

No party in the nation's 36-year history has ever won a 61-seat majority in the Knesset.

More than 2.6 million Israelis were eligible to vote at the 4,850 polling booths, choosing among Labor, Likud and 24 other parties ranging from the extreme right to leftist and Communist groups and religious factions.

Armed Force radio quoted former Prime Minister Menachem Begin as saying Monday that he would not vote. He cited personal reasons.

Mr. Begin had told The Associated Press on Sunday that he hoped the Likud would win, but his comment had not been expected to have much impact since Israel radio and television are barred from broadcasting statements that can affect the election outcome.

Military sources in Tel Aviv said the army closed the crossing points into Israeli-controlled southern Lebanon along the Awali River in an effort to provide extra security for soldiers during the elections when guerrillas might be expected to step up attacks.

The Labor Party has promised to withdraw Israeli troops from Lebanon within six months and expressed an interest in opening peace talks with Jordan by offering it control of part of the occupied West Bank. (UPI, AP)

## Labor Is Preferred in Amman

Jordan, along with Israel's other Arab neighbors, has been closely watching the political contest between Likud and Labor in the hope that the outcome might open the way for new peace initiatives. The New York Times reported from Amman.

Although Jordan's policy has been to pay little or no official attention to the Israeli elections, its clear favorite is the Labor Party.

Mr. Peres has said that if his Labor Party came to power, it would seek to open talks with the Jordanians and Palestinians, excluding the Palestine Liberation Organization over the future of the West Bank.

Mr. Peres has also said that he would halt construction of Israeli settlements near densely populated Arab areas.

Such statements have been greeted with cautious optimism in Amman.

"We like to be optimistic," a Jordanian official said. "We somehow feel the road to peace is shorter if the Labor Party wins."

## U.S. Congress Resumes, But Will Cooperation?

By Martin Tolchin

New York Times Service

WASHINGTON — The United States Congress reconvened Monday for a three-week session between the Democratic and the Republican national conventions. It faces much unfinished business, including an overhaul of the immigration laws and military aid to Central America.

Before it recessed for the Democratic convention, Congress achieved an unexpected degree of bipartisan agreement on major legislative initiatives. The question now is whether bipartisan compromises will continue or whether the political pressures of an election year will make further legislative progress this year impossible.

There is little optimism that the immigration and the military budget measures at the top of the work list can be completed before the recess for the Republican convention. Congress will return after Sept. 3 and is scheduled to adjourn Oct. 4 to enable its members to campaign for re-election.

Nor is Congress expected to complete work on all the 13 appropriations bills needed to fund the U.S. government in the fiscal year that begins Oct. 1. Only three such bills have been enacted.

To keep the government running in the new fiscal year, Congress would have to approve all 13 bills or pass a continuing resolution that would allow spending to continue at least year's level in agencies that did not have their new appropriations bills approved.

A dispute on military spending has deadlocked two measures in conference between the House and Senate, and a speedy resolution is not expected. There are stalemates on both the budget resolution setting the overall ceiling on spending, and on the bill authorizing military spending for the new fiscal year.

In its 1983 budget resolution, the Senate approved \$299 billion in military spending for the fiscal year 1985, a 7.8 percent increase after taking account of inflation. But the House approved only \$285.7 billion, a 3.3 percent increase.

The Senate Republicans rejected an offer by House Democrats that

would provide nearly \$292.5 billion in military spending, a 5 percent increase in real growth.

Both the House and Senate reduced President Ronald Reagan's request for 40 MX missiles. The Senate reduced the number to 21 and the House to 15 with conditions. This difference also would have to be resolved to end the stalemate.

A House-Senate conference will also seek to resolve differences in a bill that would make sweeping changes in U.S. immigration laws. The measure narrowly passed the House but is strongly opposed by the Democratic national standard-bearer, Walter F. Mondale and Representative Geraldine A. Ferraro of New York.

Both the Senate and House measures would penalize employers who knowingly hired illegal aliens. But the Senate bill would provide criminal as well as civil penalties, while the House bill would impose only civil fines.

The administration is planning a renewed effort to have Congress approve \$21 million in additional aid for Nicaraguan rebels. The \$24 million appropriated earlier this year has nearly been exhausted.

Congressional Democrats vigorously opposed additional aid for the Nicaraguan rebels and were joined in the Senate by moderate Republicans who agreed to kill the proposal.

The administration also has requested an additional \$116 million in military aid for El Salvador in the current fiscal year, and \$132.5 million for 1985.

The lawmakers also are expected to consider another increase in the U.S. debt ceiling. On June 29, Congress increased the government's authority to borrow money from \$1,520 billion to \$1,573 billion. But the new debt ceiling provides only enough government borrowing authority to last through August.

The debt ceiling issue poses political problems for Senate Republicans who had promised in election campaigns not to vote to raise the debt ceiling but who are repeatedly persuaded to do so by their party leaders, at the urging of the White House.

## U.S. to Deploy Missiles Until Soviet Joins Talks

Compiled by Our Staff From Dispatches

WASHINGTON — The United States declared Monday that it would continue to deploy medium-range nuclear missiles in Europe until the Soviet Union decides to resume strategic arms reduction talks.

In Moscow, the Soviet Union denied Monday that it would resume Geneva arms talks with the United States if nuclear missile deployment in Western Europe were to be frozen at present levels. It added that it had not moderated its stand as suggested by the president of Romania.

Both comments were in response to reports that the Russians might be willing to return to the bargaining table if the United States agreed to stop deployment. That was the gist of an interview given by President Nicolae Ceausescu of Romania to the Hearst News Service on Sunday.

But Tass, the Soviet news agency, said Monday that Moscow insisted that Washington remove all cruise and Pershing-2 nuclear missiles now deployed in Western Europe.

Moscow also hinted it would not negotiate with the United States on arms in space unless Washington stopped developing its anti-satellite weapon system.

"There is no sense in conducting the negotiations if there is no moratorium on testing," Vladimir Lomeiko, a Foreign Ministry spokesman, said at a news conference.

Larry Speakes, the chief White House spokesman, said, "We have not changed our planning along those lines. We will definitely continue deployment." He said deployment would be halted if the United States and the Soviet Union reached agreement on an arms accord.

Earlier in the day, George P. Shultz, the secretary of state, said he saw no change in the Soviet stand against resuming nuclear missile talks. The secretary's comment was in response to a question about Mr. Ceausescu's reported remarks.

He added that the Soviet Union had started to negotiate about conditions for talks in Vienna on a ban on weapons in outer space.

## Cocaine Money Is the 'Snow' That Warms Bolivia's Economy

By Marlice Simons

New York Times Service

LA PAZ — In this cold capital, just below the glaciers of the Andes, it seems an abstract notion that thousands of people are busily picking, processing and transporting coca leaves across a lower and warmer part of Bolivia. But when it "snows" in the tropical lowlands, businessmen smile knowingly here.

It means, they say, that a new wave of cocaine money is entering this country's tiny economy.

Recently, it was snowing again, according to a banker. He said that in one of his provincial branch offices "a single deposit of \$1 million" had just come in.

Cocaine dollars from the United States, Canada and Europe have a ripple effect in this capital: they have promoted the sales of cars, television sets, kitchen appliances and weapons. They are said to account for the present stable rate of the dollar on the busy black market.

The existence of an elusive smuggling underworld also adds intrigue to conversation, much as would the presence of any secret society. It raises such questions as this: Could a neighbor, a lawyer friend or a government official down the street be "in the business" since he has shown conspicuous signs of prosperity lately?

"Five percent of all Bolivians are supposed to be involved, directly or through payoffs," in the cocaine business, a foreign businessman here said.

Diplomats concerned with the movement of narcotics say about 100,000 tons of coca leaf bring in about \$800 million a year. Perhaps half of this, they say, goes to bank accounts in the Bahamas, Switzerland or Florida. The other half, they believe, returns to Bolivia, matching the \$400 million the country earns a year from its major legal export, natural gas.

"There are cocaine millionaires but no cocaine taxes," a diplomat said. "You can see the ostentatious spending, the luxury hotels with 20 percent occupancy, garish houses with turkeys, \$30,000 weddings, trips to Europe, all of that while the country is broke."

The fact that Bolivia has become the single largest supplier of the ingredient for cocaine is not itself a major preoccupation. People say they are used to seeing their raw materials exported.

But some citizens, including churchworkers, expressed concern over the new use of coca leaf created by the demand from abroad. The Indian population has chewed coca leaves as an energizer for centuries. Coca is sold legally in the markets.

Now there is a growing demand among city people for "base," one of the several stages of cocaine refinement. This mix of coca leaves, kerosene and sulfuric and hydrochloric acid is rolled with tobacco and smoked. Known here as "bazooka," it reportedly damages the brain and lungs. Government officials have promised to intervene.



RETURN VOYAGE RESUMES — A Soviet truck crossed the West German checkpoint at Helmstedt on Monday into East Germany, a day after the Soviet Union had allowed West German customs officials to inspect the vehicle's cargo. Page 4.

The Russians made "a clear proposal" for the talks, he said. "We came back with a 'yes' very quickly and they have been having a great deal of trouble taking yes for an answer."

Asked if he believed the space negotiations would be held, he said that President Ronald Reagan was ready for talks and had "said 'yes'

unconditionally" beginning in Vienna on Sept. 18.

In Moscow, Mr. Lomeiko said that the Soviet Union had asked the United States last week to agree to a joint statement on space weapons talks because of Washington's "evasive" response to its proposal. He refused to say whether the Soviet Union would agree to opening

talks this fall if the United States did not agree to his agenda.

He said that the joint Soviet-American statement would declare both countries' willingness to start negotiations on averting the militarization of space and announce a "mutual moratorium on the testing and deployment of outer space weapons." (AP, UPI)

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■ A "college" in Britain monitors abuses of religious rights in Communist nations. Page 4.

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■ Continental Illinois said in a report that several top officers ignored warnings of problem loans. Page 11.

## TOMORROW

■ Italian authorities have found little evidence to try the Bulgarians accused of conspiring to assassinate the pope. Insights.



# Syria, Stopping Lebanese Clashes, Demonstrates Its Muscle

By Loren Jenkins  
Washington Post Service

BEIRUT — As armed clashes between militias in Lebanon, the three-day fight in the northern district of Koura this month was not unusual. It was, according to commentators here, just another turf war between two former allies who had fallen out.

Suleiman Frangieh, a former president and a Christian Maronite leader from the mountains of northern Lebanon, was apparently trying to expand his territory at the expense of Inan Raad, a Greek Orthodox who heads the National Syrian Social Party. Mr. Raad's strength lies in the Koura district on the edges of Mr. Frangieh's traditional fiefdom.

If the falling out was not unusual, what impressed Lebanese was the speed with which President Hafez al-Assad of Syria moved to end the clash and the determination he

showed in halting the sort of outbreak that in the past he either tolerated or encouraged.

Observers said Mr. Assad's action was the latest indication of the

## NEWS ANALYSIS

extent to which the Syrian president has become the ultimate governing force in the country since the United States ended its direct support of President Amin Gemayel in February. It was then that Washington withdrew the U.S. Marine contingent to the multinational peacekeeping force that had propped up the Gemayel government.

In Koura it was noted that it was Mr. Assad in Damascus, not Mr. Gemayel in Beirut, who sent his personal military aide to halt the fighting.

It was also to Damascus that Robert Frangieh, the former presi-

dent's son and a militia chief, and Mr. Raad were summoned to sit down with Abdul Halim Khaddam, Syria's vice president and Mr. Assad's chief adviser on Lebanon, to make peace. It was the Syrian Army, not a Lebanese force, that moved into Koura to supervise the disengagement of rival forces.

"Make no mistake about it, the real government of Lebanon sits in Damascus these days, not in Beirut," said an analyst, who asked that his name not be used. "Whatever chance there was after the Israeli invasion in 1982 for the re-establishment of a truly independent Lebanese government ended when the Americans pulled out."

That point first became clear immediately after the departure of the U.S. Marines last winter. Mr. Gemayel, who had gambled on promises of continued U.S. support, was forced to go to Damascus to see

Mr. Assad and agreed to the abrogation of the Lebanese-Israeli troop withdrawal agreement, which had been brought about by Washington.

Having used the bluntest of methods to gain the U.S. withdrawal from Lebanon and the abrogation of the accord, Mr. Assad has since fallen back on more subtle diplomacy to steer Lebanon's factions into accepting Syrian hegemony.

"Assad knows that to Lebanon no one group can rule and that control can only be achieved by balancing the various forces in the country," said a Lebanese editor. "His technique is to never let any one person or faction rise too high or fall too low."

Thus, having humbled Mr. Gemayel by making him bow to Syrian interests, Mr. Assad then turned to support him against Walid Jumblat, a Druze leader, and Na-

bih Berri, a Shiite leader. Both men are Assad allies who had sought Mr. Gemayel's outright resignation.

Similarly, when both Mr. Jumblat and Mr. Berri balked at joining the Syrian-endorsed cabinet of national unity, the two were summoned to Damascus and persuaded to do so by Mr. Assad and Mr. Khaddam.

When the creation of the cabinet failed to produce an accord ending the fighting in Beirut last month, Mr. Khaddam, at the request of Prime Minister Rashid Karami of Lebanon, flew to Mr. Gemayel's home town of Bikfaya and held meetings with the Lebanese president, Mr. Karami and leading political and faction leaders.

Out of the 12-hour session emerged the accord that ended the fighting in Beirut, bringing the first semblance of normalcy to the Lebanese capital in years.

The irony is that in the past, Syria, through its disbursements of arms and money, has been considered one of the main forces behind Lebanon's disorders.

Western diplomats and Arab analysts say that Mr. Assad, having won his strategic goal of keeping Lebanon in Syria's sphere of influence rather than in that of Israel or the United States, now wants to quiet things in Lebanon so he can get on with his other major objective of confronting Israel.

"Syrian domination of this country may not be what we like, but for the people of Lebanon, that may not be all bad if they can restore some approximation of peace," said a senior Western diplomat who has lived in Beirut for two years. "Let's face it—neither Israel nor the United States was able to accomplish that here. If the Syrians can do it, at this stage that is something positive nevertheless."

## Factions Near Beirut To Disengage Militias

United Press International

BEIRUT — Lebanon's Muslim and Christian factions agreed Monday to separate opposing militias near Beirut's international airport, where scattered fighting has undermined Beirut's new security plan.

A cease-fire committee representing the factions said it would take about two days to disengage militia forces in the hills, five miles (eight kilometers) south of central Beirut, a Lebanese security official said.

Lebanese militiamen clashed Sunday in Kfar Shima, a Christian village, and Schweifat, a Druze Muslim suburb, less than a mile southeast of the airport. At least four persons were reported injured.

Police said fires broke out in Kfar Shima and a few stray shells landed in Baabda, a Christian suburb of east Beirut where the presidential palace is situated.

By most accounts, clashes along the part of this front line closest to Beirut airport on Sunday were the worst since a Syrian-backed security plan, which in effect is a cease-

fire, took effect July 4 in Beirut. Air traffic remained normal.

The security plan gradually has disarmed rival Christian and Muslim militias in Beirut and deployed the army along front lines, where only sporadic sniping incidents disrupt a cease-fire.

But fighting broke out almost daily to the hills barely a mile southeast of the airport, undermining government plans to move the army into place as a buffer force between the region's rival militiamen.

The violence has frustrated government efforts to extend the security plan to the Chuf mountains, which overlook the city and the airport. The Syrian-mediated plan stopped five months of heavy sectarian fighting inside Beirut.

President Amin Gemayel discussed preparations for the disengagement with Prime Minister Rashid Karami and Brigadier General Michel Aoun, the new Lebanese army commander. Beirut radio stations reported.

Military preparations were complete for the deployment of an army brigade of 3,000 Druze Muslims and Christians under a Druze commander into the Chuf Mountains, L'Orient Le Jour and other media said. This would reopen the Beirut-Damascus highway and separate Christian army brigades from the Druze Muslim militia that controls the mountains.

In the northern port of Tripoli, rival Muslim gangs fought what security sources said was a "limited" street battle with machine guns and rocket-propelled grenade launchers. Police said at least two persons were wounded.

Commenting on plans to extend government authority to the Druze-controlled Chuf Mountains, the spiritual leader of the Druze community, Sheikh Mohammed Abu Shakra, requested that a Druze-dominated army brigade be used for the task.

"An army brigade which takes over a certain area should be made up of natives of this area because people are still anxious," Sheikh Shakra said in an interview published Sunday with Monday Morning, a weekly English-language magazine in Beirut.



A striking coal miner struggles with police near Edinburgh.

## U.K. Presses for Vote on Coal Strike; More Are Arrested at Scottish Mines

Compiled by Our Staff From Dispatches

LONDON — Britain's Conservative government stepped up pressure Monday for a national vote by coal miners as their strike entered its 20th week. There was fresh violence and arrests at two Scottish mines.

Energy Minister Peter Walker said in a radio interview that Arthur Scargill, head of the National Union of Mineworkers, would have held such a vote already had he been certain of winning it.

Mr. Walker, asked to explain the continuing solidarity of most of the miners, who have stopped work at two-thirds of Britain's mines, said that Mr. Scargill "needs masses of pickets" and "a great deal of victimization."

About a quarter of the country's 180,000 miners voted locally not to strike and continue to work despite

often violent clashes with pickets and police.

Hundreds of striking coal miners threw stones and fought with police outside Scotland's largest coal pit Monday. At Bilston Glen mine near Edinburgh, about 600 strikers pushed and shoved and nearly broke through a line of 500 police protecting 10 men who reported for work.

Police made 40 arrests in all, including 14 at Bilston Glen and 28 at the privately run Binkbonny mine in Lothian where miners pulled down a stone wall to block a road. There were no reports of injuries.

The strike over plans to close unprofitable coal mines and lay off 20,000 miners has split the union. The Conservative government of Prime Minister Margaret Thatcher after initially staying out of the dispute, has been trying to further

split moderate miners from their leaders and encourage pressure for a ballot.

But there have been no recent calls from miners asking the union to organize such a vote.

Negotiations between the National Union of Mineworkers and the coal board broke down last week. Press reports Monday said the union's executive committee was expected to reaffirm backing of the strike when it meets Thursday, leading to fears that the dispute could continue into 1985. No negotiations were expected in the near future.

The clashes at the Scottish mines coincided with the return of 35,000 longshoremen to Britain's 100 ports after ratification of an agreement between the dock workers union and management Sunday.

The government hopes settlement of the 12-day dock strike will break the resolve of the miners. All British ports were working normally Monday, the National Association of Port Employers reported. (Reuters, AP)

## Gandhi Foes Stage Protest In Parliament

Compiled by Our Staff From Dispatches

NEW DELHI — The Parliament convened Monday with a scuffle and a walkout by opposition parties to both houses after the government refused to permit an unscheduled debate on its dismissal of the Jammu and Kashmir state government.

The lower house, or Lok Sabha, recessed for 20 minutes shortly after convening, when a Congress-I Party member threw a punch at an opposition lawmaker from Kashmir. He missed, and the two were separated after a scuffle.

The upper house, or Rajya Sabha, also adjourned briefly after a furor over the same issue.

The Jammu and Kashmir government, led by Chief Minister Farooq Abdullah, was dismissed July 2 after 12 state lawmakers withdrew their support, leaving Mr. Abdullah without a majority.

The opposition has charged that supporters of Prime Minister Indira Gandhi's Congress-I Party engineered the maneuver. They claim that the party is trying to destabilize local opposition governments and stifle debate.

Later Monday, the government declared Punjab state a "terrorist-affected area" and set up three special courts to try suspected extremists, under a presidential ordinance issued July 14.

A Home Ministry spokesman said the order would remain in force for six months.

In Punjab state, troops stood guard Monday in 473 centers while high school and university students took examinations that had been postponed for three months because of Sikh violence and a government crackdown.

Militants warned against participation but no disturbances were reported. Nearly 600 persons, by the government count, were killed in Punjab when troops stormed Sikh extremists encamped at the Golden Temple at Amritsar.

The government's handling of the Punjab crisis, the Kashmir issue, the dismissal of the opposition-led government in Sikkim state in May, Hindu-Muslim rioting in the Bombay area and federal moves to combat Sikh terrorism are likely to lead to further acrimony in Parliament.

The five-week session may be the last for the 788-member assembly before national elections. By law, Mrs. Gandhi must call elections by Jan. 14. (AP, Reuters)

## Miss America Yields Title Over Nude Photographs

Compiled by Our Staff From Dispatches

NEW YORK — Vanessa Williams gave up her crown as Miss America on Monday, bowing to demands by paganist officials that she resign because she appeared nude in pictures published by Penthouse magazine.

It was the first time that the winner of the nation's oldest and best-known beauty contest has stepped down. "I am a fighter," Miss Williams, 21, said at a news conference, but she added, "It would be difficult for me to appear as Miss America" since the photographs appeared in the magazine.

The photographs, which were taken before Miss Williams won her title, show her nude in intimate scenes with another woman.

Paganist officials were expected to award the crown later Thursday to the first runner-up, Suzette Charles, Miss New Jersey. The term of the current Miss America runs until September.

Miss Williams was the first black woman to hold the title. Miss Charles is also black.

Miss Williams said in her press conference, as she had in interviews Sunday, that she did not recall signing a release form permitting publication of the pictures.

An attorney for the magazine, Roy Grutman, said he had the form in his possession but refused to show it to her attorneys.

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Acted From "Curiosity"  
Esther B. Fein of The New York Times reported earlier from Milwaukee, New York.

Miss Williams said in an interview Sunday that she had acted out of curiosity in agreeing to pose for the photographs.

Miss Williams said she first met the photographer, Tom Chiapel, in the summer of 1982, when she applied for employment as a model at his studio in nearby Mount Kisco, New York. Efforts to reach Mr. Chiapel were unsuccessful.

She later obtained a job at the studio as a makeup artist, and after working there "about a month and a half," she said, Mr. Chiapel asked her if she would pose for nude and partially nude pictures.

"I was curious," Miss Williams said. "I was 19, I had never done any modeling before. But they were never supposed to leave the studio, never to be published or seen by anyone but myself."

A few weeks later, she said, Mr. Chiapel approached her again about posing in the nude.

"He said he wanted to try a new concept, of silhouettes with two models," she said. "I had no idea what he was talking about. He said it would just be two models, he would tell us how to pose and that you wouldn't be able to recognize us, only shapes and forms."

## WORLD BRIEFS

### Britain Opposes Increasing EC Budget

BRUSSELS (AP) — Britain on Monday stepped up its campaign to limit European Community spending.

Sir Geoffrey Howe, the British foreign secretary, said during a break in talks among the foreign ministers of the 10-member community that Britain was opposed to spending more than the 25.4 billion European Currency Units (\$20 billion) previously budgeted for 1984.

He said, however, that Britain accepted that EC financial obligations this year would exceed the 25.4 billion ECU figure. He said the excess should be deferred until 1985 rather than be financed by a supplementary budget this year. Most of the other nine EC members favor a supplementary 1984 budget.

Sir Geoffrey said Britain believed the EC could find additional savings from the 1984 budget. The community's Executive Commission has estimated that the organization will need an additional 2 billion ECU this year.

He said the government will decide whether to pass on the information to U.S. officials.

The spokesman confirmed a Swiss press report that the U.S. Justice Department last year requested assistance in a case involving an unidentified American living in Switzerland, who allegedly bought computers designated as refrigerators and television sets from the United States and passed them to a second person, who arranged for their transport to the Soviet Union.

### Swiss Get Data in U.S. Computer Case

BERN (Reuters) — A leading Swiss bank, Credit Suisse, has turned over information to the government on an alleged case of illegal export of U.S. high technology to the Soviet Union, a Justice Ministry spokesman said Monday.

He said the government will decide whether to pass on the information to U.S. officials.

The spokesman confirmed a Swiss press report that the U.S. Justice Department last year requested assistance in a case involving an unidentified American living in Switzerland, who allegedly bought computers designated as refrigerators and television sets from the United States and passed them to a second person, who arranged for their transport to the Soviet Union.

### Schluter Shuffles Danish Cabinet

COPENHAGEN (AP) — Prime Minister Poul Schluter shuffled his center-right coalition cabinet Monday after Finance Minister Henning Christophersen resigned to take a seat on the European Community's executive commission.

Mr. Christophersen, 44, a Liberal, will be succeeded by Palle Simonson, 51, a Conservative who has been serving as minister of social affairs. Mr. Simonson will be replaced by Elsebeth Kock-Petersen, 35, a Liberal who has been minister of churches.

### Cosmonauts Study Aerosol Layers

MOSCOW (AP) — Six Soviet cosmonauts aboard the Salyut-7 orbital research station spent Monday conducting experiments including measuring changes in star brightness to determine the density of aerosol layers, Tass said.

A spokesman for the inter-cosmos department of the Soviet Academy of Sciences said the layers under study were bands of suspended particles, originating in space, that form around the Earth.

Last week the spacecraft Soyuz T-12 carried three cosmonauts, including Svetlana Savitskaya, 35, the first woman to make two space voyages, to the orbital lab where three other spacemen have been working since Feb. 9.

### Corruption Trial Opens in Zimbabwe

HARARE, Zimbabwe (Reuters) — Two businessmen accused of bribing officials to conceal fraudulent transport claims totaling \$5 million went on trial Monday amid tight security.

Sanson Bernard Pawan, 44, and an associate, Charles Harupere, 28, pleaded not guilty to charges of bribing Labor Ministry officials to conceal inflated transport charges for distributing food to drought-hit areas.

Andrew Chigovera, the state prosecutor, alleged the two men gave a car and \$9,200 to two ministry officials to cover up claims between September 1983 and March of this year. The two officials, Gideon Govere and John Chimaka, have been jailed for 10 years and six years, respectively.

### Managua Is Said to Bar Clerics' Entry

MANAGUA (AP) — The Sandinista government, which has expelled 19 priests and nuns since it came to power in 1979, is now denying entry visas to members of Roman Catholic religious orders, according to Archbishop Miguel Obando y Bravo, the head of the Roman Catholic Church in Nicaragua.

"For the moment I have registered seven cases where they have denied visas to priests and certain nuns to enter the country," the archbishop said Sunday. The government has given no explanation for running down the requests, made by Italians, Mexicans and Costa Ricans, he said.

On July 9, a few hours after the first Catholic-led protest march in the country, the government expelled 10 foreign priests who had been working in Nicaragua.

### U.K. Clerk in Secrets Case Leaves Jail

SUTTON VALENCIA, England (AP) — Sarah Caroline Tisdall, a former British Foreign Office clerk imprisoned for leaking classified documents about the NATO missile deployment in Britain, was freed Monday after serving four months in prison.

Miss Tisdall, who left prison carrying 24 white carnations sent by Britain's Campaign for Nuclear Disarmament, was arrested and forced to leave her job in January. She was charged under the 1911 Official Secrets Act for sending a newspaper a copy of a secret memorandum by Defense Secretary Michael Heseltine to Prime Minister Margaret Thatcher in October.

Mr. Heseltine discussed the then-secret Nov. 14 date for the arrival of U.S. cruise nuclear missiles and his strategy for trying to minimize protests by keeping secret the date when the nuclear warheads would be fired. Miss Tisdall said she was not against nuclear weapons in principle, but acted to protest what she regarded as the Conservative government's manipulation of public opinion over nuclear weapons.

### Chun Urged to Cancel Visit to Japan

SEOUL (UPI) — Seven Christian youth organizations said Monday that President Chun Doo Hwan should cancel a visit to Tokyo on the ground that Japan refused to repent of historical wrongdoings against South Korea. Korea was ruled by Japan from 1910 to 1945.

The statement, in behalf of Presbyterian, Methodist and Salvation Army youth groups, also said that Mr. Chun's visit to Japan, which is expected in September, was aimed at strengthening military relations among the United States, Japan and South Korea.

Mr. Chun would be the first South Korean government leader to visit Japan. Although the two countries established relations in 1965, ties are sometimes strained. South Korea said this month that Japanese textbooks, despite some changes that followed complaints by Seoul, still glossed over the excesses of the colonial period.

### For the Record

Experts of the UN Human Rights Commission have left Geneva for Suriname, it was announced Monday, at the invitation of the Paramaribo government of Colonel Desi Bouterse. Although 15 opponents of Colonel Bouterse were summarily executed in December 1982, he has rejected Dutch allegations of conducting a "reign of terror."

A Spanish financier, José María Ruiz Mateos, was ordered freed on bail of 10 million Deutsche marks (\$3.5 million) Monday by a Frankfurt court pending a decision on Spain's request that he be extradited to stand trial for fraud.

An imprisoned Jewish dissident, Zecher Zushman, began a hunger strike Saturday in Riga, Latvia, to protest his imprisonment on political charges. Jewish sources said. A hearing on his appeal against a three-year sentence was scheduled for Tuesday. Mr. Zushman has been demanding the right to emigrate to Israel.

A government-appointed mediator ruled Monday that Iberia, Spain's state airline, should cancel planned layoffs and changes in working conditions. Its 853 pilots went on strike June 19. Iberia said it expected normal operations to resume Tuesday. The ruling is binding for both sides.

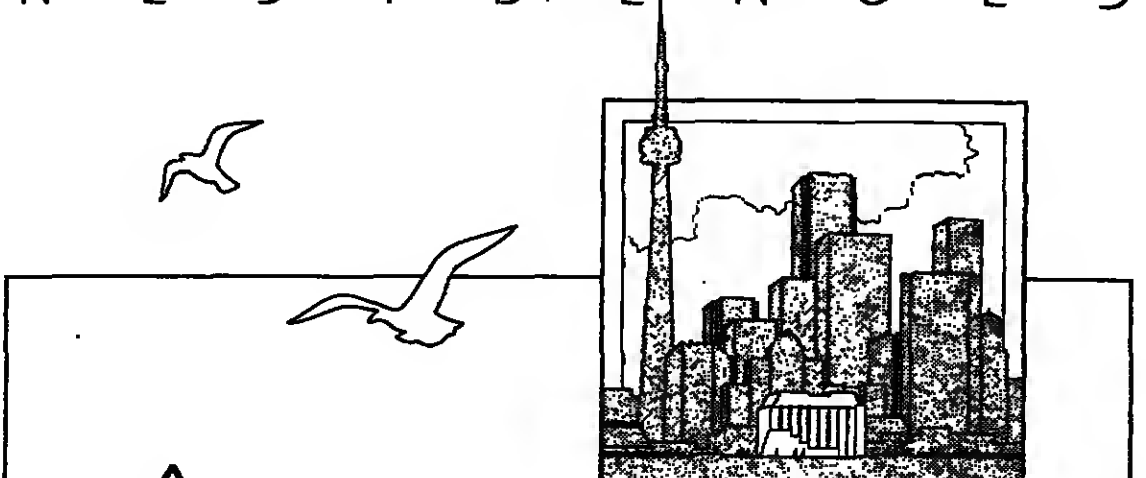
The Ghanaian leader, Flight Lieutenant Jerry Rawlings, arrived Monday in Havana on an official visit.

Floods in India have claimed at least 212 lives since the yearly monsoon rains began last month, an official said Monday. (AP)

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## 'College' Monitors Religious Repression

By Kenneth A. Briggs  
New York Times Service

KESTON, England — When major Western news agencies reported two weeks ago that Andrei D. Sakharov, the Soviet dissident, was being injected with drugs in a Soviet psychiatric hospital, the source of the unofficial information was an organization here that monitors abuses of religious rights in Communist countries.

The center is Keston College, which was founded by an Anglican priest, the Reverend Michael Bourdeaux, to study and report accounts of religious persecution in those countries.

Strictly speaking, the center's work would not ordinarily include reporting on the plight of Mr. Sakharov, a nonbeliever, but the report indicated how its extensive network overlaps with other human rights information channels.

The center publishes a journal, called Religion in Communist Lands, a newsletter and the Keston

News Service. It can send bulletins over telex equipment in the case of emergency news such as that on Mr. Sakharov.

Father Bourdeaux, 50, who studied in the Soviet Union and has made frequent trips there, says repression of religious believers has risen sharply in recent years after a period of some easing.

"It is tragic," he said. "Hundreds of thousands, perhaps millions, have been persecuted just when we believed things might get better."

He said the crackdown began in 1977. He attributed it to fear that the endorsement of religious liberty in the Helsinki accords on human rights, signed in 1975, would cause unrest.

Father Bourdeaux says the attacks have been directed against a variety of religious Christians and Jews. He says he believes that many of the abuses have been largely ignored by churches and news organizations in the West.

The college has files on 307 believers now in prison. Mr. Sakharov has estimated that there are 10,000 "prisoners of conscience," a fifth of them held because of their religion.

Although the work of the center has been relatively little known over the last 15 years, its detailed records have recently gained it admirers and public attention. Last spring Prince Philip awarded Father Bourdeaux the Templeton Prize for progress in religion.

The center, housed in a small yellow-brick building, is a college in the sense that scholars and staff members work collegially, but it otherwise bears no resemblance to an academic institution offering courses and degrees.

As the staff has grown to 22, the center has become cramped. The building includes archives on dissenters, editorial offices for producing the reports and publications, a 10,000-volume library and a crowded research department where experts study hand-written letters, underground documents

and official church publications. Father Bourdeaux, who left the parish priesthood in 1964 to undertake this project without any financial support, says the center aims to provide objective reporting without ideological shadings. Critics have accused the center of a rightist political bias, but Father Bourdeaux says it is "fiercely independent."

"In so far as I think about communism as a system," he said, "it is only as I hear about it from those who have suffered a denial of their religious rights." He said he felt "very uneasy" with the religious right in the United States and has received no support from that quarter.

Father Bourdeaux is sharply critical of the World Council of Churches and the top ranks of the Russian Orthodox Church for what he sees as their neglect of the religious rights issue.

He also said he believed the World Council had played down violations in an effort to appease

the leadership of the Orthodox Church, which belongs to the council. He said the council had tried to paint a rosy picture of religious liberty in the Soviet Union than the facts allow.

Mr. Bourdeaux said the only deviation from that practice was Moscow's failure to provide a formal list of the privileged diplomatic parcels.

■ **Diplomats Suffer**  
Dana Priest of The Washington Post reported earlier from Washington.

As relations between the United States and the Soviet Union have deteriorated in recent years, one way Washington and Moscow have responded has been to step up Cold War-style efforts to make life difficult for each others' diplomats.

The Reagan administration has tightened up an unofficial policy, begun during the Carter years, of retaliation against Soviet diplomats here for expulsions and harassment of Soviet-based Americans. Additionally, under a 1982 law, Congress now officially obligates the executive branch to allow foreign diplomats in the United States no more privileges in such areas as phone service and property rights than those afforded U.S. personnel in overseas posts.

For Moscow's part, harassment seems to wax and wane according to KGB domestic worries and the intensity of U.S. anti-Soviet propaganda campaigns. Most recently, such Soviet retaliation has been directed at domestic dissidents and U.S. attempts to establish contacts with them, according to a U.S. official involved in Soviet affairs.

"When the big picture starts to fall apart you begin to talk about the nuts and bolts," the official said. "In the age of détente, there was a tendency to say these ques-



Michael Bourdeaux

tions aren't so important as long as you have larger agreements. Now the big agreements aren't there, so you concentrate on the nuts and bolts."

"There's no definite pattern, but more incidences do occur when relations are bad," he said.

According to an informal study by the State Department, 139 Soviet citizens were expelled from countries in 1983 — including 5 from the United States — up from 49 in 1982 and 27 in 1981. Twenty have been expelled so far this year.

According to press accounts, the three U.S. diplomats expelled separately on charges of espionage from the Soviet Union in 1983 were the first to be expelled there since 1978.

When a U.S. diplomat in the Soviet Union is harassed, there is often a KGB hand in the matter, U.S. officials said. When a Russian is harassed in the United States, they said, the perpetrator is most likely a disgruntled citizen or local police agency over which the federal government has little control.

"We do not have any legal way of harassing the Soviets," said a State Department official.

But U.S. public displeasure at Soviet actions has often translated into additional problems for Soviet diplomats, at times galvanizing into violent assaults.

To the Soviet Union, the distinction between public and private harassment is dubious, and Soviet diplomats in Washington say they are on their guard in public places.

"It's a serious job and a serious life for us here," said a Soviet diplomat. He said he was happy that he now lived the protected, embassy compound. "Before, I could never leave my kids alone," he said. "I have no worries about them now."

They are forever saying we're 'commoving,' he said.

State Department officials said there always has been a high level of harassment against Americans in the Soviet Union. Threats against the embassy, however, have been rare and usually have involved despondent would-be emigrants.

The major factor contributing to harassment in the Soviet Union is concern about domestic security, said Robie Palmer, deputy assistant secretary of state for European and Canadian affairs, the bureau in charge of the Soviet desk at the State Department.

"In the Soviet Union, it's more what the KGB worries about on any one day," than any broad, coordinated policy, he said.

## New Government Tests Communist Support in French Confidence Vote

By Jeffrey Ulbrich  
Associated Press

PARIS — Prime Minister Laurent Fabius goes before parliament Tuesday with his new government's general declaration of policy. He is assured of winning a vote of confidence even though the Communists have withdrawn from the government.

The governing Socialists have an absolute majority in the National Assembly and will have no problem winning the vote of confidence. The Communists will be

welcomed to see if, though out of the government, they continue to support the policies they have criticized for the past year.

The French political scene has been in turmoil for weeks. The Socialists and Communists suffered a severe setback in the European elections June 17, and there was a huge demonstration June 24 against a bill affecting private schools.

President François Mitterrand, in a surprise announcement July 12, said he was proposing a change in the constitution to allow a wider subject area for referendums.

It accepted by the Senate and National Assembly, the measure to change the constitution would be submitted to a national referendum.

Mr. Mitterrand also withdrew the school bill for revision.

Then, last Tuesday, the government of Pierre Mauroy resigned, and Mr. Mitterrand appointed Mr. Fabius. Soon afterward, the Communists, who had held four cabinet posts since the last came to power in May 1981, announced they would no longer participate in the government.

Mr. Fabius said he will continue the policies established under Mr. Mauroy, specifically the economic austerity program and the planned restructuring of industry.

The Communists have criticized the government on both issues, saying they will lead to losses in individual purchasing power and to higher unemployment.

On Sunday, the opposition responded. Jacques Chirac, leader of the neo-Gaullist Rally for the Republic party, told the party's central committee: "There is no other solution to the present crisis than the dissolution of the National Assembly so that the people can clearly say how they want to be governed."

Despite the fact that the opposition has been calling for referendums specifically on the school issue, Mr. Chirac said he opposed Mr. Mitterrand's measure, calling it ambiguous.

He also criticized the president for refusing to link his own political future to the outcome of the measure to change the constitution or to promise that the school issue be put before the electorate.

Legally, the constitutional changes and referendums must be passed in identical terms by both the National Assembly and the opposition-controlled Senate. This gives the largely powerless Senate, and the opposition, a chance to exert themselves by blocking the bill.

The term of the National Assembly expires in June 1986, and it is

unlikely the president will choose to dissolve it before then. Mr. Mitterrand's seven-year term runs until 1988.

Responding to Mr. Chirac's call for new elections, the government spokesman, Roland Dumas, said: "Let him know right now that there will be no dissolution as long as the government of France has the support of a solid majority in the assembly."

Meanwhile, Mr. Fabius completed his cabinet appointments Monday. The new government is made up of 16 full ministers, 6 subministers and 20 secretaries of state.

Of the 42 members of the old government, 34 returned, some in new posts.

Among those leaving are Jacques Delors, the former finance minister who has been named president of the European Community Executive Commission, and Alain Savary, the former education minister who authored the bill proposing changes for the private schools.

## Arm in Hand 2 Dances Admiring Mern

The Associated Press

COPENHAGEN — A year-olds have named police, ending the myth who had saved off the arm of the Little Mermaid statue.

The two admitted in off the bronze statue's arm a hawksaw as a drunkard early Sunday morning. A spokesman said they charged with vandalizing property; they were pending trial.

"They said that, after ing up, they realized it many companions knew it that they didn't have chance," the officer said, came to the police station one arm, two hangers, lots of apologies.

The statue has been stone at the mouth of Copenhagen harbor since 1913. In the head of the statue was off. It was never found, new head was made.

## UN Food Official Warns Africa About Birth Rate

Reuters

HARARE, Zimbabwe — The head of the United Nations Food and Agriculture Organization warned African countries Monday that they were heading for disaster because of high birth rates combined with a failure to produce enough food.

Addressing the organization's biennial regional conference for Africa, Director-General Edouard Saouma said Africa has failed to cope with the problem of feeding its people. He said population growth was the main factor.

"I fear that many African nations, if they do not take action to encourage a drop in fertility rates, are heading headlong to disaster," he said.

The conference is attended by agriculture ministers from about 30 African countries and food experts from more than 20 other nations.

Mr. Saouma devoted a large part of his address to population growth and said a unique feature of the African continent was the absence of a significant decline in the birth rate.

"The result is the highest population increase in the world, indeed, a rate that seems to be still accelerating," he said.

Mr. Saouma said the population growth of 4 percent yearly in some African countries was explosive.

"How can a nation's farmers be expected to increase their output at a sustained rhythm of 4 percent per annum to feed the new mouths," he said, adding that in the difficult conditions of African farming, even a growth rate of 3 percent was likely to surpass the potential for agricultural development.

He said 45 percent of his organization's activities were directed toward Africa, "more than triple the effort that would be justified in terms of population alone."

The population of Africa is estimated at 500 million.

Mr. Saouma said a litany of woes afflict African agriculture, including drought and other natural disasters, foreign debt, monetary instability, internal hostilities and a hostile global climate.

"The storm of recession has perhaps blown more fiercely here than anywhere," he said. "Certainly, no region has known such a savage deterioration in its terms of trade."

The UN organization lists 24 African states facing an acute food crisis.

## Israel Says Bodies Sent by Syria Were Not Sold

The Associated Press

TEL AVIV — Three handed over by Syria during out-of-war exchange last week were not Israeli soldiers, they command said Monday.

Syria released six Israeli soldiers and bodies contained bodies on June 28 in exchange 291 Syrian soldiers and 27 Syrian citizens.

An Israeli Army spokesman said the bodies contained the remains of an army lieutenant, a pilot and an air force sergeant, and an air force sergeant. But he said the other three bodies "did not go to Israel" and that the names were unknown.

Lieutenant Lipschitz, a member of a tank crew, and Captain Lipshitz, a navigator in a combat plane, were killed during the 1982 invasion of Lebanon.

Berlin Police Hold Ex-Prisoner

Reuters

BERLIN — A former Federal middleweight boxing champion, Gustav Scholz, was held Monday by police in West after his wife was found dead at their home, a police spokesman said.

## Diplomats Warn of Soviet Retaliation After Truck Incident

Compiled by Our Staff From Dispatches

MOSCOW — Some Western diplomats said Monday they feared the Soviet Union might retaliate against West Germany's detention of a Soviet truck by tightening Soviet rules on diplomatic transports. Moscow had claimed diplomatic immunity from inspection for the truck.

The diplomats told Reuters that they had not seen any Soviet reaction to the confrontation over the truck, but many predicted Moscow might feel it had been victimized and respond by delaying supplies to missions from NATO countries.

"The whole affair has been a humiliation for the Soviet Union and that is not something the Russians usually take lightly," a West European diplomat said.

He said that Moscow could "make life difficult" for NATO countries by holding up transports

at the frontier or might go even further by retreating its own relations to generous attitudes to what counts as diplomatic baggage.

The dispute started when Swiss authorities ordered the truck to leave the country without unloading after the Soviet Union refused to allow a customs check of the sealed trailer under a claim of diplomatic immunity from inspection.

As the truck was returning to the Soviet Union via West Germany, Bonn also insisted on the right to see the cargo before it crossed into East Germany.

The 10-day dispute was resolved Sunday when the Soviet Union allowed West German customs officials to enter the truck on the grounds of the Soviet Embassy in Bonn and count the number of parcels in the cargo.

The truck left West Germany early Monday afternoon via the

Helmstedt border crossing in East Germany.

In Bonn, a West German government spokesman, Peter Boenisch, said Monday that the visual inspection of the cargo satisfied Bonn that the provisions of the Vienna accord on diplomatic shipments had been met.

He said that a similar diplomatic incident had occurred in 1980 when a West German diplomatic truck was detained in the Soviet Union.

"We wanted to declare an entire truck diplomatic material and the Soviet rejected this," Mr. Boenisch said at a news conference. "And then we agreed on the entire practice that is now in effect."

■ **2 E. Germans Flee Czechoslovakia**  
The Associated Press

MUNICH — Pursued by border guards, a 16-year-old schoolgirl and her 24-year-old boyfriend, both from East Germany, safely fled across the Czechoslovakian border into West Germany early Monday, the authorities said.

West German police said the pair set off alarms as they entered the frontier zone, alerting Czech border guards. No shots were fired.

The couple told West German authorities they fled because of family problems and for economic reasons. The West German authorities do not release names of refugees from the East bloc.

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## ARTS / LEISURE

# Paris Showings Open With Long, Lean, Colorful Silhouette



Joe Lee Wilson: "I can take a hint. Ha!"

## Joe Lee Wilson Sings of the Joy of Jazz

By Michael Zwerin  
International Herald Tribune

PARIS—After singing in the Far East, the Middle East, North and Central America, Western and Eastern Europe and Africa (including five tours sponsored by the United States Information Service), Joe Lee Wilson has lots of stories.

When he was growing up in Bristow, Oklahoma, everybody kept saying, "Go on and sing, child." He cannot remember not singing. The voices of Eddie Jefferson and King Pleasure influenced him to be a jazz singer, but his aunt disapproved: "That's dope addict music." Which reminds him of a Turkey story.

There was a midnight curfew. He would either have to finish at 11 or the audience could sleep on the floor. Wilson decided on the latter, allowing for plenty of story-telling time. He has a good bandstand rap. The marquee read "Jam Session, Joe Lee Wilson, Joy of Jazz," which misleadingly implied three acts, and he began by a clarification.

"I told them that 'Joy of Jazz' is the name of my band and in order to explain what jam session meant I talked about how jazz evolved from gospel and the blues and that it was once associated with prostitution and drugs but now it has been cleaned up because a lot of guys who were strung out quit cold turkey. Ha!" A recurring Wilson punctuation. "A security officer complained to the promoter that I said the Turks were cold people. The promoter was right on top of it. He said 'No, he's going to sing a song about a cold turkey, the kind you eat.' The officer answered: 'The next time he sings that song, tell him to say cold duck.'"

There is the usual gleam in his eye. The story has reminded him of another story. There's no room here for all the stories but let's find out more about the teller.

He studied voice, piano and composition at the Los Angeles Conservatory of Music and then worked and recorded with people like Sonny Rollins, Lee Morgan, Freddie Hubbard, Milt Jackson, Miles Davis and Archie Shepp who do not usually work with singers. When he formed Joy of Jazz in 1977, Stanley Crouch, in The New York Times, called him "a great singer in a time when disco music reigns and the mature voice seems to have fallen into popular decline."

Visiting the homeland of his English bride that same year, he fell in love with Brighton, and they bought a

house they still call home: "The water's good in Brighton. You don't need mineral water. I have what they call an allotment, a piece of land to grow vegetables. I take care of my garden."

His entire body gleams with the joy of jazz when he performs. The exuberance infects audiences that might otherwise be unmoved by jazz. But at the age of 48, this "great singer" with a "crystal-clear voice" (Cue magazine) and what has been called "regal command" and "infectious charm" is not exactly a household word.

The explanation involves the nature of the music business as well as his character: "I hate to say this, but I think most record companies look for artists who aren't too brainy; they sign people they can control. Columbia Records offered me a contract I could not accept in 1968. They said that Robert Goulet signed one just like it; it's a standard contract. I said 'I'm not a standard singer, how can I sign a standard contract?'"

"Finally I signed a good one, I recorded two albums but I got caught in some executive infighting and I hired an attorney. We bickered for six months. Believe it or not I got all my tapes back. Ha!" He smiled proudly. "I would imagine that not too many people have been awarded ownership of their tapes from Columbia Records."

Is he perhaps thought of as a troublemaker? Has this hurt his career?

He stroked his beard as though never having considered the possibility: "I don't think so. They were just going to sit on those tapes anyway. People always tell me there's no such thing as bad publicity. I know guys who can't play at all and they always make trouble and journalists are always writing them up."

Splitting his time between a house in Brighton, a Paris apartment on the Ile St. Louis and working two or three months each year in the United States, he figures he hasn't done all that badly. He has no agency, no producer and no record contract but he is his own boss and business is good.

He grew up helping to raise cotton and peanuts on the farm his parents owned. He is used to managing himself.

Some Yugoslav musicians he performed with recently are trying to put together a tour of the Soviet Union. "They invited me to go with them. They say Russia is really hurting for jazz, and they figure we can play there, make our rubles, change them to dinars and hopefully I can change my dinars into dollars. It's a dodgy situation."

Another dodgy situation; one last story:

After singing Billie Holiday's "God Bless the Child" in a Moslem country, a local journalist told him he considered singing about the Christ child for a Moslem audience in bad taste.

"But this is about any child," Wilson explained: "Your child, my child." The next day the interview was headed: "Joe Lee Wilson sings for children." He decided to drop the song. "I can take a hint. Ha!"

Joe Lee Wilson, "Joy of Jazz": Algiers, July 27-29; Paris (Club Trois Maillets), Aug. 1-14; Birmingham, England, Aug. 17; Cardiff, Wales, Aug. 18-19.

International Herald Tribune

PARIS — Paris couture is a vision, better still, a mirage. For photographer Richard Avedon, in town for American Vogue, it is also culture shock. "I just got back from Montana, where I was working on a book about the working classes in the Middle West," he said. "Plus the jet lag. I don't know where I am."

It looks as if Paris designers, who are showing their fall and winter

## HEBE DORSEY

lines this week, are now treating couture for what it is, a glittering marketing vehicle that has more to do with the houses' images than with fashion itself. The image is drowned in total luxury, and to heck with the expense.

At Jean-Louis Scherrer's, where the collection was all saffron, velvet and embroideries, a close collaborator of the designer could not give a price.

"Even Jean-Louis doesn't know how much it cost," he said. Scherrer said the magnificence was needed to make a big impression before a big show he is doing in Tokyo next fall.

One thing is sure: Couture must be alive and well, judging from all the para-fashion activities going on in Paris this week. Both Givenchy and Hermès are having dinner par-

ties to launch a new perfume: Guy Laroche is taking over the whole Club 78 to introduce a new collaborator, Dreda Mele.

Chanel, which is also introducing a new perfume called "Coco," really went to town with both a luncheon and a dinner on Monday. The first one was held in the gardens of the Palais Royal, in tents simulating the interior of the

Grand Velour restaurant. With limousines for everyone, five magnificent buffets and champagne flowing like water, the operation must have cost a mint. On Monday night, Chanel took over the Opéra for an encore — the collection, this time, followed by supper.

So far, the new silhouette is long, lean and colorful. With hemlines dropped to the calf, the result is

distinctly elegant but not exactly young.

The influence of Claude Montana is rampant, with uneven results. Purple and brown are the two dominant colors. Coats are everywhere and the little black, draped dress — a very Parisian number — is center stage again. There are fewer pants than in the androgynous ready-to-wear collections. More

and more, Paris couturiers are concentrating on evening wear, which is their real beat, instead of daytime clothes.

At Cardin's, the collection, while very Cardin with his usual interplay of geometric volumes, was less gimmicky than usual, more clean and refined. Long coats over long dresses were worn with flat heels and crazy accessories, such as red, shaggy punk wigs or tall, spiky, 18th-century deccors' hats. Coats were broadened by wide shoulders and puffed sleeves, decorated with wheel-like patterns.

The front row fans, which included Claude Pompidou, Jacqueline Delubac and Beatrice Patino, loved Cardin's evening dresses, which are designed by his partner and friend, André Oliver. Many were one-shouldered, cut very closely to the figure and finished with a big, caped sleeve. The black draped ones, with sexy, shirred backs, and the draped sequined sweaters over draped skirts, were particularly pretty. But the mutton chop frills got a bit out of hand, especially in his red bridal gown, which was a mass of red ruffles.

Scherrer, who used to be quite uptight and Establishment — he

dressed Anne-Aymone Giscard d'Estaing when she was France's first lady — has now lost most of his inhibitions.

With a faithful clientele of Arab princesses and rich Americans, Scherrer knows he can let go. His collection, which is pure fantasy, keeps hovering from the Ballets Russes to the misty mornings of costumed balls in Venice.

The sportive woman is nowhere around at Scherrer's. His woman gets up at noon and jumps right into black velvet coats, topped with fox boas dragging to the floor. She wears enormous black velvet cartwheel hats, massive diamond jewelry and shimmering paisley silks or gold lame dresses.

At Dior's, the photographers were busier shooting Princess Caroline of Monaco and her husband, Stefano Casiraghi, than the clothes. In a collection designed with the princess in mind, Marc Bohan, this house's designer, put the accent on pants with short jackets as well as high-waisted lean dresses under big coats. Color was Bohan's major message, as well as the halloween, which seems to have a hard time dying here.



Evening gowns by Pierre Cardin (left) and Jean-Louis Scherrer.

**KNAP**  
34, boulevard Saint-Honore  
**SPRING COLLECTION**  
as shown by this outfit in purr worsted wool  
**IN SUEDE**  
one piece suits, skirts, jackets, trousers, blouses, all made of ultra-fine skin.  
**STYLED BY**  
**ROCCO BAROCCO**

**CABARET**  
78 Champs Elysées  
**Hot Shock**  
FANTASTIC SHOW  
with the Fercos  
and sumptuous Girls  
**DINNER SHOW**  
Reservation: 239.09.99  
8 P.M. Dinner and show 200 F  
10 P.M. and midnight on Saturday  
champagne and show 275 F

collection automne-hiver  
**Chloé**  
3, RUE DE GRIBEAUVAL (7<sup>e</sup>) BAC-ST-GERMAIN

## Recreation Center to Be Near Ming Tombs

TOKYO — China's first large-scale recreation center, complete with hotel, golf course, swimming pool, tennis courts and a ranch, will be built near the tombs of the Ming emperors outside Beijing. The city of Beijing will pay 51 percent of the initial investment of 1 million yuan (\$434,000) for the Chinese-Japanese venture, and Japan's Sanwa Bank, United Capitals Co. and Asahi Trading Co. will supply 49 percent. A spokesman for Sanwa said the golf course and hotel, to be constructed at a cost of about \$20 million, will be opened by 1987. The rest will be completed by 1994.

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So many things can remind you of the folks back home. And even though there's a big ocean between you and the ones you love, it's nice to know you can feel close again just by picking up the phone.



NYSE Most Actives													
Symbol	Vol	High	Low	Open	Close	Change	Symbol	Vol	High	Low	Open	Close	Change
IBM	1,151,000	125 1/4	124 3/4	124 3/4	125 1/4	+ 1/4	IBM	1,151,000	125 1/4	124 3/4	124 3/4	125 1/4	+ 1/4
AT&T	1,050,000	47 1/4	47 1/4	47 1/4	47 1/4	0	AT&T	1,050,000	47 1/4	47 1/4	47 1/4	47 1/4	0
GE	750,000	34 1/4	34 1/4	34 1/4	34 1/4	0	GE	750,000	34 1/4	34 1/4	34 1/4	34 1/4	0
AMC	700,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMC	700,000	11 1/4	11 1/4	11 1/4	11 1/4	0
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AMR	600,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMR	600,000	11 1/4	11 1/4	11 1/4	11 1/4	0
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AMJ	450,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMJ	450,000	11 1/4	11 1/4	11 1/4	11 1/4	0
AMK	400,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMK	400,000	11 1/4	11 1/4	11 1/4	11 1/4	0

Dow Jones Averages					
	Open	High	Low	Close	Change
Indus	1099.52	1105.58	1081.17	1096.62	- 4.78
Transp	467.84	481.75	440.95	467.33	- 4.82
Util	121.44	124.85	122.16	124.38	+
Comp	223.35	227.38	218.84	224.53	+ 1.29

NYSE Dories		
	Close	Prev.
Advanced	1165	504
Declined	1165	991
Unchanged	365	454
7 total issues	1994	1969
New Hires	4	3
New Losses	231	127

NYSE Index				
	High	Low	Close	Today's P.M.
Composite	84.78	84.63	85.31	85.55
Industrials	181.80	181.56	181.18	180.28
Transp.	75.24	74.52	74.68	74.71
Utilities	46.39	44.28	44.28	44.28
Finance	78.02	77.55	77.55	78.59

Odd-Lot Trading in N.Y.		
	Buy	Sell
July 30	143,763	257,931
July 19	144,455	273,104
July 10	135,389	279,890
July 12	131,297	412,807
July 14	125,741	383,044

\*Included in the sales figures.

Monday's									
NYSE									
Closing									
Vol.	of 3 P.M.								56,670,000
Prev.	3 P.M. vol.								63,700,000
Prev	consolidated close								94,973,538

Tables include the nationwide prices  
to use in the closing on Wall Street

AMEX Diaries			
	Class	Prev.	
Advanced	136	192	
Declined	205	257	
Unchanged	203	257	
Total Issues	778	750	
New Vests	2	46	
New Lots	7	46	

Standard & Poor's Index				
	High	Prev.	Close	Today
Industrials	173.57	166.42	170.54	168.84
Transp.	119.89	116.67	118.72	117.42
Utilities	45.57	44.44	44.73	44.57
Finance	14.39	14.15	14.20	14.15
Commodities	152.39	149.87	149.55	148.58

NASDAQ Index					
	Week	Year			
	Close	Mean	Apr	Apr	
Composites	229.57	227.39	234.47	220.71	
Industrials	284.11	282.83	285.57	273.99	
Finance	237.17	236.57	240.39	237.77	
Insurance	227.14	—	234.79	227.77	
Utilities	196.88	—	197.39	191.12	
Bonks	196.88	—	195.79	191.12	
Transp.	192.38	—	198.31	202.04	

Dow Jones Bond Averages		
	Prev. Ave.	Today
	4 P.M.	1 P.M.
Bonds	45.62	45.74
Utilities	60.87	60.70
Industrials	—	47.78

AMEX Most Actives					
	Vol.	High	Low	Open	Chg
WorldB	1042	25 1/2	25 1/8	24 3/4	1/8
DanmP	1044	25 1/2	25 1/8	24 3/4	1/8
VerbiB	1044	25 1/2	25 1/8	24 3/4	1/8
TIG	1044	25 1/2	25 1/8	24 3/4	1/8
YanB	1044	25 1/2	25 1/8	24 3/4	1/8
McGrG	1044	25 1/2	25 1/8	24 3/4	1/8
Acton	1044	25 1/2	25 1/8	24 3/4	1/8
ArtBm	1044	25 1/2	25 1/8	24 3/4	1/8
NiPlat	1044	25 1/2	25 1/8	24 3/4	1/8
PerLew	1044	25 1/2	25 1/8	24 3/4	1/8

AMEX Stock Index			
	Previous	Low	High
19130	19130	19130	19130
19130	19130	19130	19130

NYSE Most Actives													
Symbol	Vol	High	Low	Open	Close	Change	Symbol	Vol	High	Low	Open	Close	Change
IBM	1,151,000	125 1/4	124 3/4	124 3/4	125 1/4	+ 1/4	IBM	1,151,000	125 1/4	124 3/4	124 3/4	125 1/4	+ 1/4
AT&T	1,050,000	47 1/4	47 1/4	47 1/4	47 1/4	0	AT&T	1,050,000	47 1/4	47 1/4	47 1/4	47 1/4	0
GE	750,000	34 1/4	34 1/4	34 1/4	34 1/4	0	GE	750,000	34 1/4	34 1/4	34 1/4	34 1/4	0
AMC	700,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMC	700,000	11 1/4	11 1/4	11 1/4	11 1/4	0
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AMR	600,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMR	600,000	11 1/4	11 1/4	11 1/4	11 1/4	0
AMN	550,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMN	550,000	11 1/4	11 1/4	11 1/4	11 1/4	0
AMH	500,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMH	500,000	11 1/4	11 1/4	11 1/4	11 1/4	0
AMJ	450,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMJ	450,000	11 1/4	11 1/4	11 1/4	11 1/4	0
AMK	400,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMK	400,000	11 1/4	11 1/4	11 1/4	11 1/4	0

# At 3 P.M.: Trading Is Light

**United Press International**

**NEW YORK** — Although blue-chip issues were trying to rebound, the overall stock market was broadly lower in light trading late Monday afternoon on a government report of surprisingly strong second-quarter economic growth.

The Dow Jones industrial average, down 13 points at midsession, was off 5.63 points to 1,045.74 an hour before the close. It still is not far from its 1984 closing low of 1,086.90 set June 15. The Dow shed 1.55 Friday and 8.50 overall last week.

Declines led advances 1,200-342 among the 1,906 issues traded.

The five-hour turnover amounted to about 58.4 million shares compared with 63.8 million traded in the corresponding period Friday.

Analysts said blue-chip issues that held up better than the rest of the market in recent weeks were in the spotlight again along with mining issues that were hurt by drops in gold and silver.

Observers said the market was eroding at a furious pace rather than selling off in dramatic propertory to a possible turnaround. There was some bargain hunting.

A steep selloff erupted at the outset following the government's report that the second-quarter gross national product rose at a 7.5-percent annual rate, up from a preliminary 5.7-percent projection last month. This followed a blistering 10.1-percent rate in the first quarter.

At the same time, the "GNP price deflator" that measures prices for business and consumers climbed at a rate of only 3.3 percent in the second quarter, less than the 4.4 percent at the beginning of 1984.

Bond prices dropped in light trading at the outset following the GNP news but "they stabilized at a lower level," said William Sullivan of Dean Witter Reynolds.

The GNP figures disturbed investors because they indicate the economy is so strong the Federal Reserve will have to keep a tight rein on credit to keep inflation from rekindling.

The Fed jolted investors Friday when it drained funds from the banking system. Experts said the action was related to heavy borrowing by troubled Continental Illinois Bank.

"The selling is not heavy but it is steady," said Marvin Katz of Sanford C. Bernstein & Co. "All of this is coming off the GNP figures. Professional traders sold back into the market when they saw an early rally attempt falter."

AT&T, up 1 1/4 last week on strong second-quarter earnings, was one of the most active NYSE-listed issues.

Chrysler was lower in active trading along with General Motors and Ford. The UAW and GM began contract negotiations Monday.

ITT Corp., recommended by Salomon Brothers, was active and higher at one point. The stock was clobbered two weeks ago after ITT announced plans to slash its dividend.

IBM was lower in active trading at midday. The European Community postponed announcement of its findings in a four-year antitrust suit against IBM.

Union Carbide was lower at the outset on second-quarter earnings of \$1.80 a share against 87 cents a year ago.

Indiana Standard was lower. The company posted second-quarter earnings of \$1.81 a share against \$1.46 a year ago.

### NOTICE OF REDEMPTION

#### EUROPEAN COAL AND STEEL COMMUNITY (ECSC)

##### US \$ 25,000,000 8% 1977/86

The Commission of the European Communities informs herewith the bearers of bonds that a selection by lot for a principal amount of US \$ 240,000 has been made for redemption in the presence of a Notary Public on July 12, 1984 at the Luxembourg branch of the Societe Generale Alsacienne de Banque.

Number of bonds selected by lot:

2396 to 2407	2586 to 2597	2599	3172 to 3173	3184	3215 to 322
3311 to 3315	3317 to 3372	3374 to 3399	3450 to 3464	3504 to 3509	4558 to 460
5101 to 5200	5301				

Principal amount unamortized after 1st September 1984: US \$ 4,000,000.

From 1st September 1984 the bonds selected by lot will no longer bear interest.

The Bonds presented for reimbursement should be accompanied by coupons of 1st September 1985 and following and will be payable in accordance with the terms and conditions shown on the bonds.

NYSE Most Actives													
Symbol	Vol	High	Low	Open	Close	Change	Symbol	Vol	High	Low	Open	Close	Change
IBM	1,151,000	125 1/4	124 3/4	124 3/4	125 1/4	+ 1/4	IBM	1,151,000	125 1/4	124 3/4	124 3/4	125 1/4	+ 1/4
AT&T	1,050,000	47 1/4	47 1/4	47 1/4	47 1/4	0	AT&T	1,050,000	47 1/4	47 1/4	47 1/4	47 1/4	0
GE	750,000	34 1/4	34 1/4	34 1/4	34 1/4	0	GE	750,000	34 1/4	34 1/4	34 1/4	34 1/4	0
AMC	700,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMC	700,000	11 1/4	11 1/4	11 1/4	11 1/4	0
AMT	650,000	21 1/4	21 1/4	21 1/4	21 1/4	0	AMT	650,000	21 1/4	21 1/4	21 1/4	21 1/4	0
AMR	600,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMR	600,000	11 1/4	11 1/4	11 1/4	11 1/4	0
AMN	550,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMN	550,000	11 1/4	11 1/4	11 1/4	11 1/4	0
AMH	500,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMH	500,000	11 1/4	11 1/4	11 1/4	11 1/4	0
AMJ	450,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMJ	450,000	11 1/4	11 1/4	11 1/4	11 1/4	0
AMK	400,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMK	400,000	11 1/4	11 1/4	11 1/4	11 1/4	0

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AMR	600,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMR	600,000	11 1/4	11 1/4	11 1/4	11 1/4	0
AMN	550,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMN	550,000	11 1/4	11 1/4	11 1/4	11 1/4	0
AMH	500,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMH	500,000	11 1/4	11 1/4	11 1/4	11 1/4	0
AMJ	450,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMJ	450,000	11 1/4	11 1/4	11 1/4	11 1/4	0
AMK	400,000	11 1/4	11 1/4	11 1/4	11 1/4	0	AMK	400,000	11 1/4	11 1/4	11 1/4	11 1/4	0

NYSE Most Actives									
Symbol	Vol	High	Low						







**Tables include the nationwide price:**

72 Month		Stock	Div. Yld PE	Sis.		Close
High	Low			100% High	Low	

(Continued from Page 8)

[illegible][illegible][illegible][illegible][illegible]

17 Month	Low	Stock	Div.	Yr	PE	5yr	High	Low	Close	Qtr	Ch	Per
50%	39%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
40%	38%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
30%	37%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
20%	36%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
10%	35%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
0%	34%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
50%	33%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
40%	32%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
30%	31%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
20%	30%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
10%	29%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
0%	28%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
50%	27%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
40%	26%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
30%	25%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
20%	24%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
10%	23%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
0%	22%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
50%	21%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
40%	20%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
30%	19%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
20%	18%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
10%	17%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
0%	16%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
50%	15%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
40%	14%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
30%	13%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
20%	12%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
10%	11%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
0%	10%	Scot Paper	1.00	10	9	150	51%	10%	35%	+	36	+
50%	9%	Scot Paper										

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000
Algeria	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00</																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																

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**Amex Fights  
of NASD**

## Over-the-Counter

July 23

prices

[illegible][illegible]

Sales in Net  
10% High Low JPAL Crst

		7	8	10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
SCI Sys		72	100	104	111	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200		
SEI		72	100	104	111	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200		
SPI		72	100	104	111	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200		
SPR Dru		72	100	104	111	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200		
SRI		72	100	104	111	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200		
Sofcon		72	100	104	111	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200		
Stalco		72	100	104	111	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200		
Stalco		72	100	104	111	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200		
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### Uniroyal Posts Record Net

*United Press International*

**NEW YORK.** — Uniroyal, Inc. reported Monday that second-quarter net income increased 20 percent to a record \$30.2 million, or 86 cents per share. In the second quarter of 1983, Uniroyal had net income of \$25.2 million, or 83 cents per share. The company had an average of 33.9 million shares out-

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BUSINESS ROUNDUP

## Continental Report Says Bad Loans Were Concentrated in One Division

By James L. Rowe Jr.  
Washington Post Service  
WASHINGTON — Top officers at the troubled Continental Illinois National Bank & Trust Co. either ignored or did not see numerous "red flags" raised from 1980 to 1982 as a result of unchecked lending by its oil and gas division, a committee of outside directors has concluded.

Continental is now on the brink of failure, largely because of the bad loans made by the oil and gas division. The giant bank, which had assets of \$41.4 billion last March, is being kept alive with a \$7.5-billion rescue package and is likely to be taken over by the Federal Deposit Insurance Corp. this week or early next week.

The FDIC will have to buy most of the bank's bad loans in return for virtual control of the bank.

The directors' report, which was made public Sunday, outlines negligence on the part of a number of bank officers during the period in which one bank official, John R. Lytle, bought nearly \$1 billion of oil and gas loans originally made by Penn Square National Bank in Oklahoma. Most of the loans that Continental bought from Penn Square were bad, and Penn Square failed in July 1982.

The directors said Mr. Lytle knowingly violated many of the bank's lending procedures and continuously thwarted the auditing and control department's attempts to get a clear picture of many Penn Square loans. Even after he was ordered to stop buying Penn Square loans, he continued to do so, the report said.

He also was discovered to have borrowed \$565,000 from Penn Square for his personal use, but his superiors did not fire him although other executives in the bank said they should have.

The directors said that John A. Redding, head of oil and gas and Mr. Lytle's immediate superior, knew much of what Mr. Lytle was doing, but did nothing to stop him, even though many of the loans Mr. Lytle made required Mr. Redding's approval. The money was disbursed anyway, with Mr. Redding declining to put his initials on loans, even after "the money was already out the door," the directors said.

Between Dec. 31, 1980, and July 1, 1982, Continental increased its purchases of Penn Square loans from \$200 million to \$1.1 billion, most of them under Mr. Lytle's control.

The directors' report also said that Mr. Redding and Gerald K. Bergman, head of the special industries division that included oil and gas lending, ignored reports from two separate audit teams sent to Penn Square in September and December 1981. They also are said to have ignored numerous reports from the accounting and auditing departments pointing out that the Penn Square loans did not have proper approval, had not been properly evaluated or had other defects.

The directors went out of their way in the report to show that, except for the special-industries division, headed by Mr. Bergman, Continental followed sound lending practices. Government and banking sources also have said in recent weeks that most of Continental's problem loans are concentrated in a few areas controlled by the special industries division.

Continental is not the only major financial institution stung by the Penn Square failure. For example, Seattle First National Bank had not Bank of America bought the Seattle bank, Penn Square triggered a lack of confidence in Continental among domestic depositors that forced the bank to sell much of its funds abroad. That foreign run, which started in early May, would have sunk the bank if the government and other big banks had not provided a massive rescue package.

Continental is now estimated to have more than \$3 billion in bad loans. As the nation's eighth-largest bank, it is too big to be allowed to fail because of the severe trauma it would cause the U.S. and the international financial systems. Also, as a massive multinational institution, it is too big to be rescued in a merger with another healthy bank.

The directors' report was concluded in early 1983 but was kept secret by Continental until Sunday. The bank's chairman, David G. Taylor, who took over in February, said he released the report "to put behind us a most difficult period."

### EC Postpones IBM Statement

The Associated Press  
BRUSSELS — The European Community's executive commission Monday postponed until later this week an announcement on how it will resolve its four-year-old anti-trust case against International Business Machines Corp.

"We still think an accord is possible or we would not pursue this matter to the extent that we are," a commission spokesman said. "We are close to an accord, but we are not there yet."

He added that talks between IBM and commission officials continued during the weekend and on Monday in Brussels.

A spokesman for IBM in Paris said he had no information about why the announcement was put off.

The commission's case centers on its charge that the U.S.-based computer giant is abusing its dominant position in the West European market. It says IBM is restricting competition by not publishing product details early enough to allow other computer companies to develop equipment that is compatible with IBM machines.

## Falling Prices Cause Worry

(Continued from Page 9)

make payments on their burdensome debt. As they try to do so, American interest rates (to which rates on loans to developing nations are tied) have been rising. In expectation of still higher rates, therefore, the debtor countries have redoubled their efforts to export — in some cases even at prices below what it cost them to produce the raw materials.

Because economic recovery in many of those countries has been slow, furthermore, they have little domestic need for the materials, so they export them. This has pushed up the world supply.

Those countries' customers — including U.S. industry — have contributed to the deflationary cycle. Companies normally borrow to buy raw materials for their inventories, but with interest rates high, they buy no more than they need right away. Now, with falling prices, there is another incentive to buy no more than necessary. If companies find they can't use what they buy, they are stuck with a depreciating asset.

## Amex Fights Expansion Of NASD Market System

The Associated Press  
NEW YORK — The American Stock Exchange has reacted to a proposal to expand the National Market System by asking federal authorities to reject the request.

The National Association of Securities Dealers is seeking permission to expand to about 2,500 stocks from the current 1,006 issues in its National Market System, which reports the same trading information as stocks traded on the stock exchanges. Most over-the-counter stocks have only "bid" and "asked" prices reported.

The National Market System stocks have grown rapidly in popularity, and some companies that normally would have moved on to a listing with an exchange have remained in the over-the-counter system.

In a recent letter to the Securities and Exchange Commission, Robert J. Birnbaum, president of the American Stock Exchange, said the NASD had misled investors by its use of the term National Market System.

He said SEC rules giving companies a choice of whether to be in-

cluded in the association's system has given the association "an incentive to exaggerate and misrepresent the meaning and significance of an NMS designation."

### Profits Up

(Continued from Page 9)

was mixed. Apple Computer, which has been spending heavily on marketing personal computers, had a 24.4-percent decline in earnings. Control Data had a 39.7-percent drop.

**Airlines**

Early results indicate that the industry continued to improve. AMR Corp., the parent of American Airlines, had an 80-percent increase in profits; USAir was up 39 percent.

As for the major carriers yet to report, Charles Hanneman, an analyst at Thomson McKinnon Securities, said that a couple may show losses but that most should show good gains.

## Grand Met Remains Determined To Sell U.S. Cigarette Operations

International Herald Tribune  
LONDON — Grand Metropolitan PLC still intends to sell its U.S. cigarette operations, Stanley Grinstead, chairman, said Monday. The brewing, dairy products and hotel company announced Friday that it had broken off talks to sell its Liggett & Myers Tobacco Co. unit to the unit's management and outside investors for about \$325 million.

Mr. Grinstead confirmed in an interview Monday that the talks failed because of the recent introduction of generic, or no-brand, cigarettes competing with Liggett's offerings. The added competition has pushed prices down and "created some confusion in the marketplace," he said.

Grand Met must wait for that confusion to clear up before it can make reliable profit projections for the unit, which was acquired in 1980, Mr. Grinstead said.

In the meantime, Grand Met is pressing ahead with its efforts to find new U.S. acquisitions in the fields of retailing or consumer services. The chairman said that the company is involved in talks about possible U.S. acquisitions but that none are in the final stages.

Grand Met's current U.S. operations include pet foods, soft drinks, exercise equipment and child-care centers.

## Sears Reports 14% Rise in Net For 2d Quarter

United Press International  
CHICAGO — Strong consumer spending boosted Sears Roebuck and Co.'s second-quarter net income to \$356 million, or 99 cents per share, a 14-percent gain over second-quarter earnings last year, Sears reported Monday.

Second-quarter net income in 1983 was \$311.2 million, or 89 cents per share, the company said. Revenues rose 9 percent to \$9.44 billion during the second quarter of 1984, up from \$8.65 billion reported in the like period of 1983, the company said.

For the first six months of the year Sears reported consolidated net income of \$569.8 million, or \$1.59 cents per share, a 21-percent gain over the \$470.7 million, or \$1.31 cents per share, recorded during the first half of 1983.

First-half revenues were \$17.8 billion, a 10-percent increase over first-half revenues of \$16.1 billion in 1983, the company said.

Gains in Sears merchandise, insurance and real estate groups offset losses in the financial services group, said the company's chairman, Edward Telling.

The Dean Witter Financial Services Group reported a second-quarter loss of \$22.7 million, compared with second-period income of \$33.3 million in 1983, because of "reduced retail securities business and increased costs," Mr. Telling said.

### COMPANY NOTES

Conoco Inc. announced plans to construct a \$42-million premium coke calciner plant at its refinery in Lake Charles, Louisiana. The plant annually will process 300,000 tons of green premium coke into calcined premium coke used in the production of steel. The project is expected to be completed in the second quarter of 1986.

Consumers Power Co. stockholders may be able to combine suits seeking more than \$500 million from the utility for allegedly withholding information about construction delays at its Midland nuclear power plant. An attorney, Gene Mesh, filed a motion in U.S. District Court in Ann Arbor, Michigan, to combine seven suits.

First Anabank Corp. of California's mortgage banking operation is to be bought by PSFS, formerly Philadelphia Saving Fund Society, for \$90 million in cash. The transaction is subject to regulatory approval. First Anabank services more than \$3 billion in residential mortgages. PSFS said the acquisition position it as a major national operation.

Fuji Heavy Industries, producer of Subaru autos, denied that it plans to produce compact passenger cars in Tennessee. The Tokyo daily Sankei Shinbun, quoting industrial sources, had reported that Fuji planned to produce about 5,000 to 10,000 autos a month at a plant in Tennessee run by Nissan Motor Co.

Instituto Bancario San Paolo di Torino said it agreed to acquire a

## Tate & Lyle PLC Offers To Buy Brooke Bond

By Bob Hagerty  
International Herald Tribune  
LONDON — Tate & Lyle PLC, a British sugar producer, started the stock market Monday with a £296-million (\$390-million) takeover bid for Brooke Bond Group PLC, a tea and timber company.

Brooke rejected the bid as "wholly inadequate" and advised shareholders to take no action.

Tate's proposal calls for the exchange of one ordinary Tate share and £3.50 for every seven ordinary Brooke Bond shares. Tate shares closed Monday at 315 pence, down 20 pence, giving the bid a value of 95 pence for each Brooke share.

Brooke shares rose up 24 pence to close at 101 pence, suggesting that the market expects Tate to sweeten its bid.

Tate argued that the proposed combination would create "a major force in the food manufacturing industry able to compete more effectively and grow faster than the two companies individually." The two operate through similar distribution channels and serve many of the same customers, especially in Britain and Canada, Tate said.

The sugar producer said the combination would provide "an excellent platform" for acquisitions in Europe and North America. Tate also said it would concentrate on food-related businesses and keep other businesses under "constant review." Some analysts read this as a hint that Tate would consider selling Brooke's timber and building supplies business.

Several analysts said they were disappointed by the bid from Tate, which has won high praise over the past few years for streamlining its operations and winning higher profits from sugar to a difficult market.

Like sugar, Brooke's tea and timber businesses are highly cyclical, analysts noted. Moreover, tea and timber prices are widely believed to be near their peaks for the current cycle.

Tate is coming in at the top, one analyst complained.

In the six months ended March 31, Tate had pretax profit of £27 million, up 28 percent from a year earlier, on sales of £811 million, down 27 percent.

At Brooke, pretax profit in the six months ended Dec. 31 totaled £29.2 million, an increase of 40 percent. Sales rose 13 percent to £510.5 million.

Brooke produces and distributes tea, chicken and beef bouillon cubes, canned meats and other grocery products. It also operates tea plantations and a chain of butcher shops.

**Chrysler Financing Unit Posts 78% Profit Rise**

The Associated Press  
DETROIT — Chrysler Financial Corp., a unit of Chrysler Corp., reported a 78-percent increase in second-quarter earnings from a year earlier on more than \$4 billion in financing.

The company, which provides financing for the purchase of cars made by Chrysler, earned \$21.4 million in the quarter, compared with \$12 million the second quarter of 1983, President E.O. Grote said Monday.

## Standard Oil Of Indiana Says Net Rose

United Press International  
NEW YORK — Standard Oil Co. of Indiana, the fourth largest U.S. oil company, reported on Monday that profit in the second quarter rose 23 percent above the year-earlier level.

Analysts had predicted that some oil companies that market gasoline on the West Coast of the United States would find their second-quarter earnings restrained by eroding pump prices.

But Indiana Standard, the No. 1 U.S. gasoline marketer under the brand name Amoco, is not a force on the West Coast and its results for the April-June quarter slightly exceeded some analysts' expectations.

In the second quarter Indiana Standard earned \$324 million, or \$1.81 a share, up from \$426 million, or \$1.46 a share, in the same period last year. Revenues were unchanged at \$7.4 billion for both the 1984 and 1983 quarters.

## Wang Earnings Reach Record \$210 Million

United Press International  
LOWELL, Massachusetts — Wang Laboratories Inc. reported Monday that earnings for fiscal 1984 had risen 38 percent to a record \$210.2 million.

The year-end income, \$1.52 per share, compared with earnings of \$152 million in fiscal 1983. Sales for the year increased 42 percent to a record \$2.2 billion from \$1.5 billion the previous year.

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DAI-ICHI KANGYO BANK

# DKB ECONOMIC REPORT

July 1984: Vol. 13, No. 7

## Corporations grow increasingly positive in assessment of business trend in Japan

Favorable effects of economic recovery abroad are being felt in the Japanese economy as a whole through an increase in exports. According to the provisional national income statistics announced in the middle of June, the real GNP increased 1.8 per cent in the January-March period over the preceding quarter. The growth rate was far larger than the preceding quarter's 0.8 per cent. While the high real GNP growth for the January-March period was partly attributable to the influence of the leap year, the underlying upturn of business since last year was maintained even after discounting this special element.

Among major demand factors, conspicuous growth was achieved in exports up 4.4 per cent over the preceding quarter and in corporate capital investment up 3.0 per cent. The strong performance of exports reflected recovery of overseas economies, particularly in the U.S., while the increase in capital investment stemmed from improvement of corporate earnings coupled with a rise in the operating rate.

Personal consumption, on the other hand, continued to be sluggish. Private final consumption expenditures rose 0.5 per cent in the October-December period last year and 1.1 per cent in the January-March period this year, each over the preceding quarter. Growth for the January-March period, however, largely reflected the influence of the leap year; when adjusted for this factor, the growth rate diminished to 0.3 per cent or so. Private housing rose 5.7 per cent in the October-December period, but was down 2.3 per cent in January-March.

Helped by high growth in the January-March period, the real GNP increase for fiscal 1983 proved to be a higher-than-expected 3.7 per cent, which exceeded the 3.5 per cent for fiscal 1981 and 3.3 per cent for fiscal 1982.

The rising boom feeling is nothing but a reflection of swelling sales and improvement in corporate earnings, both actual and prospective.

Sales of leading manufacturing concerns are expected to increase 5.9 per cent in fiscal

growth, that of domestic demand dropped to 1.9 per cent from fiscal 1982's 2.9 per cent, while that of current overseas surplus exports minus imports rose to 1.8 per cent from 0.4 per cent. The contribution of domestic demand diminished despite relatively strong plant and equipment outlays, simply because personal consumption demand was weak due to slow income growth. The share of the current overseas surplus rose due to strong exports that had prevailed since the start of the fiscal year, compared with a pickup in imports that started only at the midpoint.

Macro business recovery, as seen in the GNP, is clearly reflected in enterprises' assessment of business. In the Bank of Japan's short-term business survey conducted as of May 1, the percentage of major manufacturing concerns that assessed their business condition to be "good" came ahead of that of concerns with "poor" assessments. This was the first time since August 1980 that companies with positive assessments outnumbered those with negative assessments. In September, the difference is expected to broaden to 21 percentage points from the 11 points in the May survey.

In the non-manufacturing sector also, the "good" assessment has gradually been increasing, while the "poor" assessment has been on the decline. In the May survey, the two were even, and "good" is expected to come slightly ahead of "poor" in September.

By industry, concerns with "poor" assessments outnumbered those with "good" assessments in six fields, including steel, shipbuilding, construction, and retail; in May, but after September this is expected to be the case in only three fields, including shipbuilding.

The rising boom feeling is nothing but a reflection of swelling sales and improvement in corporate earnings, both actual and prospective.

Sales of leading manufacturing concerns are expected to increase 5.9 per cent in fiscal

1984, compared with a 4 per cent increase in fiscal 1983. Growth of non-manufacturing sales is also expected to accelerate to 4.1 per cent in fiscal 1984 from the 1.5 per cent in fiscal 1983. Pre-tax recurring profits of major corporations are expected to continue to post a strong gain in fiscal 1984 — 11.7 per cent, following 13.8 per cent in fiscal 1983.

These trends in corporate results are causing a visible pickup in capital investment. According to the Ministry of Finance's corporate statistical survey, capital investment of all corporations with capitalization of more than ¥10 million turned up in the April-June period of last year, following two consecutive quarters of decrease, and increased 16.8 per cent in the first three months of this year over the year-earlier level.

Capital investment is increasing particularly sharply among smaller enterprises with capitalization of between ¥10 million and ¥100 million: the gain in the January-March period was 49.6 per cent over a year earlier.

The upsurge of capital investment is also evident from the trend of orders of machinery, a leading indicator of such investment. Seen in a three-month moving average, orders for machinery (private, exclusive of ships and those placed by power utilities) kept expanding at a monthly rate of 2.2 per cent from December through February. In March, the growth rate accelerated to 5.2 per cent.

**Personal consumption still sluggish**

In contrast with corporate capital expenditures, which are gathering momentum, personal consumption remains in the doldrums. According to the Prime Minister's Office's survey, real consumption expenditures by the nation's households increased by 0.3 per cent in fiscal 1983, compared with the 2.4 per cent gain in fiscal 1982.

The weakness was notable in recent months — down 3 per cent in January from a year

Growth Rates of Gross National Expenditure and Rates of Contribution of Major Demand Factors

Note: Year to year comparison for quarterly trends in FY1984.  
Source: Economic Planning Agency

earlier and down 1.6 per cent in March, while a 4.1 per cent increase was recorded in February due to the influence of the leap year.

The continuously low level of consumption is basically a result of a slow gain in income. The increase in real disposable income of wage earners' households in fiscal 1983 was only 0.9 per cent, compared with the 2.6 per cent for fiscal 1982. In terms of each quarter's year-to-year gain, however, the increase has been slowly but steadily accelerating after the 0.4 per cent decrease in the July-September period of last year, recovering to a 1.9 per cent increase in the January-March period of this year. In the meantime, the year-to-year gain in overtime accelerated from 3.3 per cent to 8 per cent, and this is considered to be primarily responsible for an increase in incomes. This trend is expected to continue in the months ahead reflecting domestic business recovery.

What's more, a survey by the Japan Federation of Employers' Associations shows that the summer bonuses at 328 leading corporations will be 5 per cent higher than last year, substantially larger than the comparable increase of 1.8 per cent registered a year earlier.

**Financial liberalization**

Japan's financial liberalization, which had been under study at the Japan-U.S. ad hoc committee on yen-dollar issues, has taken a major step forward in accordance with the report compiled by the committee for submission to the finance ministers of the two countries. Concomitant with this the Japanese Finance Ministry issued a paper titled "Current State and Prospects of Financial Liberalization and Internationalization of the Yen."

The major points contained in the two documents are:

- 1) Prospects for the yen's internationalization, centering on liberalization of European transactions, like relaxation of restrictions on European bonds.
- 2) Direction for phased liberalization of deposit interest rates, starting with large denomination deposit instruments and moving toward smaller denominations.
- 3) Strengthening and streamlining of money and capital markets, such as the creation of a yen BA market.
- 4) Guidelines for business that falls on borderlines between the banking and securities industries.
- 5) Measures to maintain orders of credit, such as strengthening of the deposit insurance system.
- 6) Abolition of restrictions on yen conversion of foreign currencies.
- 7) Opening of financial markets, particularly that of the trust business, to foreign banking institutions.

Although pressures from abroad have been an important catalyst, liberalization of the Japanese financial system is basically a step being taken in response to changes in the country's own economic and social structures. They are, to name a few, growing interest rate sensitivity among customers in the midst of massive issuance of government bonds, activation of flows of domestic and foreign funds, diversification of fund raising and investing and increasing mechanization of financial institutions' operations.

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High Prices July 23

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INCREASES					Ken
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il La Electric	Q	49	8-15	8-3	Loh
(Robt Forme	Q	27	8-23	8-10	LH

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LUXEMBOURG — The aver-

Community nations was 3.7 percent in the first half of 1984, down from 4.3 percent for the same 1983 period, Eurostat, the EC's statistics agency, reported Monday.

Eurostat said inflation fell in all countries in the first half of 1984, except West Germany, the Netherlands and Denmark.

001	Marx Co	Milton Roy	22%
ns	MileCo	Morgan JF	17%
oe	Murphy Oil	NL Indust	5%
as	Mutual	Newmont	2%

[illegible]

UnBnd P/A	Unit 11 Item	21%	2
Vash Gp	US Home	36%	2
Valera En pf	Verion Asc	34%	1
Wash Bldg	Wash Bldg	34%	1

400	Wirth Union	Weyerhaeuser pl	9%
300	Wirth Union	Weyerhaeuser pl	4%
200	Wirth Union	Weyerhaeuser pl	4%
100	Wirth Union	Weyerhaeuser pl	4%
50	Wirth Union	Weyerhaeuser pl	4%
25	Wirth Union	Weyerhaeuser pl	4%
12.5	Wirth Union	Weyerhaeuser pl	4%
6.25	Wirth Union	Weyerhaeuser pl	4%
3.125	Wirth Union	Weyerhaeuser pl	4%
1.5625	Wirth Union	Weyerhaeuser pl	4%
0.78125	Wirth Union	Weyerhaeuser pl	4%
0.390625	Wirth Union	Weyerhaeuser pl	4%
0.1953125	Wirth Union	Weyerhaeuser pl	4%
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7%	11%	ACO	HR	11	36	72% 13% 12% — 16

[illegible]

	8	MCCO n	1.00m	7	66	8%	8%	8%—	9%
	4	dow	2.2		14	6%	6	6 —	7%
	7	Nedolat		7	10	8%	8%	8%—	9%

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970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Marsell	207	16	10	10	100	7	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	

74	Nonick	10	8	6%	81%	81% - 1%	
9%	9%	NiSeO	20	21	13	13	
9%	12 1/2	NiPoint	10	5	19	21 1/2	21 1/2 + 1%

79%	72% NMAAr	.80	.16	5	21	72%	72%	72%	72%
79%	30% NPInRt	.90	.79	14	10	72%	72%	72%	72%
79%	13% NProc	1.00	.64	9	86	72%	72%	72%	72%

46	1746	Newell	32	28	11	14	1746	1746	1746	—	15
46	1746	Newell	1.44	11.6	6	3	1246	1246	1246	—	16
46	214	Norris				27	424	214	324	—	16
46	846	Nichols			4	21	846	846	846	+	16

10%	NordR n	123	223	10%	10%	10%	10%
13%	NoCoD g	5	144	14%	14%	14%	14%
30%	NIPS pf	425	125	37%	37%	37%	37%

0

13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%

...

8%	PGEPB	1.25	11.5	5	10%	10	10		
8%	PGEPD	1.25	11.5	9	7%	10%	9%	+	3%
8%	PGEPD	1.25	11.7	1	7%	10%	9%	+	3%
8%	PGEPD	1.25	11.9	120	7%	10%	9%	+	3%

30%	PGEP	4.24	1.3	43	25%	25%	25%	+	16	16
26%	PGEPZ	4.06	1.4	44	28%	27%	28%	+	16	16
21%	PGEPY	3.28	1.3	27	22%	22%	22%	+	16	16
17%	PGEPW	2.57	1.3	10	11	12%	12%	+	16	16

17%	PGE <sub>2</sub> MS	2.62	14.6	17%	17%	17%	+	9%
17%	PGE <sub>2</sub> PH	1.12	14.0	18%	18%	18%	+	10%
17%	PGE <sub>2</sub> MP	2.85	14.5	8%	8%	8%		
				10%	10%	10%	+	14%

10%	PGE <sub>1</sub> H	1.76	14.5
14%	PGE <sub>1</sub> H	2.25	14.5
12%	PGE <sub>1</sub> K	2.84	14.6
7%	PGE <sub>1</sub> H	1.09	13.4

	Pope	57	36	9%	34	-1%
ZFLA	PolCo	180	37½	20%	30½	+6%
SFA	Fordist	12	6	50%	3	+10%

[illegible]

82%	Penobscot	40	4.1	1	94%	92%	92%	100%
94%	Penikese	20	1.7	11	79	118%	118%	111%
94%	Penikese			201	146	1	146	+3%

52114 14256 2.25

4%	25%	TexCos	1.28		5	26	25%	26	+ 46
4%	4%	TexAir		3	175	7	6%	7	
4%	5%	TexAE	.391	5.1	14	55	6%	6%	- 3%
4%	14%	TexAE				55	10%	10%	10%

	TotPI	.78	9	10%	10%	-	12
1%	Total w/		15				
1%	Tower	.81	13	1%	1%	1%	
1%	Total x	.10	6	10%	10%	+ %	

11	Tullock	44	39	10	23	17½	17½	17½	—	36
17½	Turner	1.10	4.7	8	3	23½	23½	23½		
3½	Tyler	Wt			59	37½	37½	37½	—	96

Year	UnCompF	UFoodA	UFoodB
1974	1.00	1.00	1.00
1975	1.00	1.00	1.00
1976	1.00	1.00	1.00
1977	1.00	1.00	1.00
1978	1.00	1.00	1.00
1979	1.00	1.00	1.00
1980	1.00	1.00	1.00
1981	1.00	1.00	1.00
1982	1.00	1.00	1.00
1983	1.00	1.00	1.00
1984	1.00	1.00	1.00
1985	1.00	1.00	1.00
1986	1.00	1.00	1.00
1987	1.00	1.00	1.00
1988	1.00	1.00	1.00
1989	1.00	1.00	1.00
1990	1.00	1.00	1.00
1991	1.00	1.00	1.00
1992	1.00	1.00	1.00
1993	1.00	1.00	1.00
1994	1.00	1.00	1.00
1995	1.00	1.00	1.00
1996	1.00	1.00	1.00
1997	1.00	1.00	1.00
1998	1.00	1.00	1.00
1999	1.00	1.00	1.00
2000	1.00	1.00	1.00
2001	1.00	1.00	1.00
2002	1.00	1.00	1.00
2003	1.00	1.00	1.00
2004	1.00	1.00	1.00
2005	1.00	1.00	1.00
2006	1.00	1.00	1.00
2007	1.00	1.00	1.00
2008	1.00	1.00	1.00
2009	1.00	1.00	1.00
2010	1.00	1.00	1.00
2011	1.00	1.00	1.00
2012	1.00	1.00	1.00
2013	1.00	1.00	1.00
2014	1.00	1.00	1.00
2015	1.00	1.00	1.00
2016	1.00	1.00	1.00
2017	1.00	1.00	1.00
2018	1.00	1.00	1.00
2019	1.00	1.00	1.00
2020	1.00	1.00	1.00

19	10	UnvPat	200	20	9	23	22	22	22	—	26
19	19 1/2	UnvPat				29	116	11	11	—	19

V

12% Varnit	14	12	12	200	13	120%	13	+ 14
6 1/2 Vicon 3			10	64	6 1/2	6 1/2	6 1/2	
4 Vintpe			13	8	4	37%	4	
10% Virco	Bar	5	7	24	13	12%	12%	— 16

44% WTC		47	3	7	7	7	— 1/2
77% Waldba	22	16	13	21	19 1/2	19 1/2	19 1/2
10% Walco	40	13		45	12 1/2	12 1/2	12 1/2 — 1/2

5 1/2	Windsor	1.15	1.7	14	58	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
5 1/2	Windsor	2.42	12.2		54	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
2 1/2	Windsor				3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2

Wright	21	601	6%	5%	6%				
West	1,239	7.1	3	77	17%	17%	17%	-	W
Wh Endr			13	189	15%	14%	15%	-	V
Whit									

17 1/2	Wkwear	28	2.5	6	4	12 1/2	12 3/4	12 1/2	1 1/2
4 1/4	Wwde E	44 1/2	10.4	33	54	4 1/2	4 1/4	4 1/4	1 1/2
1 3/8	Wwde of	1 1/2	12.2						

2

WITHOUT IT?  
WEEKEND

11

THE  
PARTY

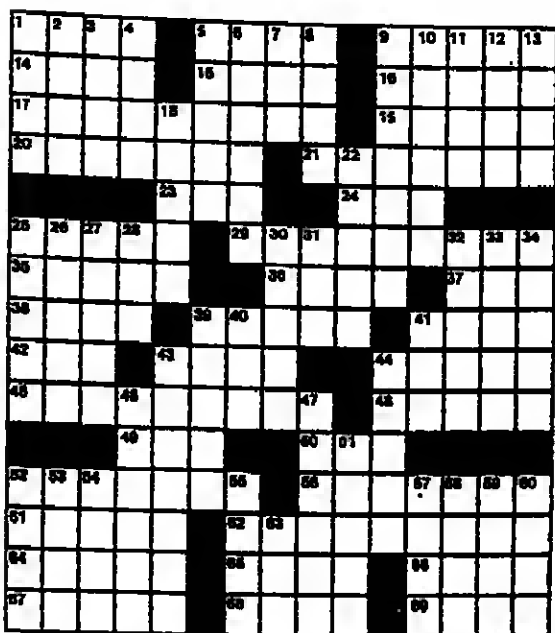
7

1990









**ACROSS**

1 School subj.  
5 Emulates  
9 Olivier  
14 Come-back  
15 "Born"  
16 Vibrant  
17 A.M.  
18 "North"  
19 "Minicrete"  
20 Transmitters  
21 Pounds  
23 Old hand  
24 One of 100

**DOWN**

1 Baseball  
2 European  
3 One of the  
4 Thug  
5 Blazing  
6 Ridges  
7 A prime time  
8 Patriot  
9 Most relaxed  
10 Smith  
11 Communion  
12 Finished  
13 Mims  
18 High jinks

25 Florida cape  
26 European  
27 Yearn  
28 Now's partner  
29 Wisegreek  
30 Author Cather  
31 Suffix with  
32 Considerable  
33 Primp  
34 Cubic meter  
35 Rival of a  
36 Dashed  
37 Penny  
38 Valuable  
39 tropical trees  
40 Partner of  
41 Conceive  
42 Wise Greek  
43 Singer Della  
44 N.F.L. team  
45 A grandson of  
46 Eve  
47 Payee's  
48 acknowledg-  
49 ment: Abbr.  
50 Daddy  
51 Muslim call to  
52 prayer  
53 Sudden wind  
54 Gaelic  
55 Pizarro's pelf

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## PEANUTS



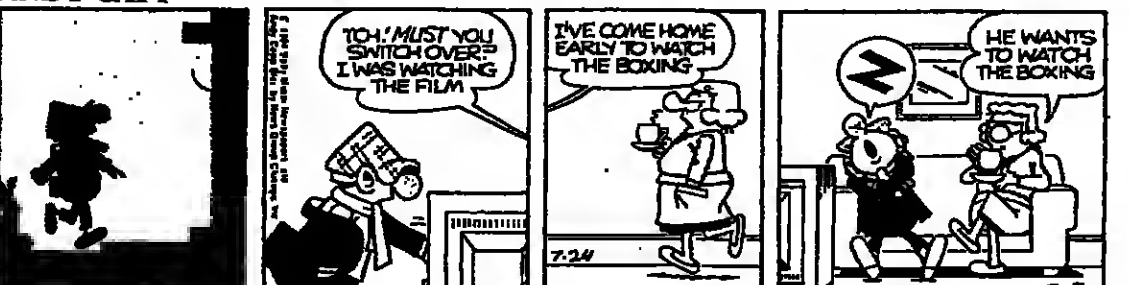
## BLONDIE



## BEETLE BAILEY



## ANDY CAPP



## WIZARD of ID



## REX MORGAN



## GARFIELD



## DENNIS THE MENACE



## JUMBLE



## WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	28	18	Beijing	28	18
Austria	28	18	Bombay	28	18
Balkans	28	18	Buenos Aires	28	18
Belgium	28	18	Calcutta	28	18
Bombay	28	18	Cairo	28	18
Buenos Aires	28	18	Chongqing	28	18
Calcutta	28	18	Columbo	28	18
Cairo	28	18	Dacca	28	18
Chongqing	28	18	Dhaka	28	18
Columbo	28	18	Hankow	28	18
Dacca	28	18	Hong Kong	28	18
Dhaka	28	18	Kobe	28	18
Hankow	28	18	Manila	28	18
Hong Kong	28	18	Medan	28	18
Kobe	28	18	Osaka	28	18
Manila	28	18	Shanghai	28	18
Medan	28	18	Singapore	28	18
Osaka	28	18	Taipei	28	18
Shanghai	28	18	Tokyo	28	18
Singapore	28	18			
Taipei	28	18			
Tokyo	28	18			

## Canadian Stock Markets

Prices in Canadian cents unless marked \$

Toronto	High	Low	Close	Change
478 Adm. Pro.	114.00	113.00	113.00	-0.25
479 Adm. Pro.	114.00	113.00	113.00	-0.25
480 Adm. Pro.	114.00	113.00	113.00	-0.25
481 Adm. Pro.	114.00	113.00	113.00	-0.25
482 Adm. Pro.	114.00	113.00	113.00	-0.25
483 Adm. Pro.	114.00	113.00	113.00	-0.25
484 Adm. Pro.	114.00	113.00	113.00	-0.25
485 Adm. Pro.	114.00	113.00	113.00	-0.25
486 Adm. Pro.	114.00	113.00	113.00	-0.25
487 Adm. Pro.	114.00	113.00	113.00	-0.25
488 Adm. Pro.	114.00	113.00	113.00	-0.25
489 Adm. Pro.	114.00	113.00	113.00	-0.25
490 Adm. Pro.	114.00	113.00	113.00	-0.25
491 Adm. Pro.	114.00	113.00	113.00	-0.25
492 Adm. Pro.	114.00	113.00	113.00	-0.25
493 Adm. Pro.	114.00	113.00	113.00	-0.25
494 Adm. Pro.	114.00	113.00	113.00	-0.25
495 Adm. Pro.	114.00	113.00	113.00	-0.25
496 Adm. Pro.	114.00	113.00	113.00	-0.25
497 Adm. Pro.	114.00	113.00	113.00	-0.25
498 Adm. Pro.	114.00	113.00	113.00	-0.25
499 Adm. Pro.	114.00	113.00	113.00	-0.25
500 Adm. Pro.	114.00	113.00	113.00	-0.25

## Amsterdam

Amsterdam	High	Low	Close	Change
ABN Holding	200.00	198.00	198.00	-2.00
ABN Holding	200.00	198.00	198.00	-2.00
ABN Holding	200.00	198.00	198.00	-2.00
ABN Holding	200.00	198.00	198.00	-2.00
ABN Holding	200.00	198.00	198.00	-2.00
ABN Holding	200.00	198.00	198.00	-2.00
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ABN Holding	200.00	198.00	198.00	-2.00
ABN Holding	200.00	198.00	198.00	-2.00
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ABN Holding	200.00	198.00	198.00	-2.00
ABN Holding	200.00	198.00	198.00	-2.00
ABN Holding	200.00	198.00	198.00	-2.00

## CATAclysm: The North-South Conflict of 1987

By William Clark. 95 pp. £10.95. Sidgwick &amp; Jackson, 1 Tavistock Chambers, Bloomsbury Way, London W1.

Reviewed by Denis Herstein

A first sight, William Clark seems an unlikely author of "Cataclysm: The North-South Conflict of 1987," an English public school, a history first at Oxford, one-time diplomat and university lecturer, Observer press secretary to Anthony Eden at the time of Suez, and more recently, vice-president of the World Bank. He is, appears to be, more than the rest of us, a son of the exploiting world. But no.

His future history begins in September 1987, at the annual get-together of the World Bank and the IMF in the Sheraton Hotel, Washington. Latin America's debts are climbing from the billions into the trillions. The South refuses to pay up any more, the West and its bankers freeze their credit, kick them out of the global financial institutions, halt food aid, remittances, even inoculation campaigns. A policy, says Clark, designed to punish the Third World for being poor.

Bankers apart, the villains of the piece are Calvin Plimpton, U.S. treasury secretary, and his British counterpart, Nigel Scott. Clark swears his book was conceived long before Nigel Lawson became chancellor of the exchequer. They allow six months to force the poor back into line. But things don't work out as they plan. The Russians side with the West, setting up, in the current jargon, a real "North." Moscow fears the spread of Islamic fundamentalism from the Gulf into its Muslim soviet.

The CIA and KGB collaborate to establish a Palestine state, and when the Begin-like figure resists, his nuclear reactor at Dimona melts down. The trail of radioactive dust heads for Jerusalem. In South Africa, the African National Congress blows up the gold mines with theatre nuclear devices and Mr. Botha and his colleagues go into exile on the Falklands.

Nor are Britain and the United States invio-

## BOOKS

late. Electronic progress becomes a tool in the hands of the have-nots. Revolutionary messages arrive from Africa on floppy discs to be relayed via satellite into suburban living rooms. A TV film about the collapse of the Tanzanian electricity grid is followed by explosions and power cuts in Britain's major cities. The Anti-Racist Militants press a button and stop the pace maker (and end the life) of a hawkish American senator.

China takes over the leadership of the Third World. Japan, Australia, New Zealand climb on Germany's back, the Anglo-Saxons. The center of economic and political gravity shifts from the North Atlantic to South East Asia. The UN and the World Bank move headquarters to Singapore and Hong Kong. We have the beginnings of a New World Economic Order.

Clark's character might be stereotyped, but he does know the genre well enough, having met most of the world's leading actors in his travels with the bank. (An Observer colleague once said to him: "William, you are a terrible name-dropper." "Yes," replied the author, "the Queen Mother was saying that only the other day.") We are back to the Englishman, born with a silver spoon in his mouth, and the two passions which provide the bones of the novel — the yawning chasm between the one billion rich, and the three billion poor and "absolute poor"; and the spillover of our planet. Clark writes: "There are more ways of killing our earth than making it."

"Cataclysm" is a textbook in the form of a novel, an instructive way to make us understand what is going wrong. At this rate all the sticking plaster and glue and mouth-to-mouth resuscitation on the Third World might not hold it together until 1987.

Denis Herstein wrote this review for the International Herald Tribune.

## U.S. TV Series Promotes Reading

New York Times Service

NEW YORK — "Reading Rainbow," a public television series aimed at children 5 to 9, is based on the premise that television can stimulate interest in reading. Each show is a half-hour magazine-format adventure, featuring a children's picture book and songs, dances and special effects relating to the book's theme.

## CHESS

By Robert Byrne

THE secret of the queen sacrifice is that no one believes it before it happens, so the defender often fails to investigate the paths leading to it.

So overvalued is the queen that when it is exchanged for dissimilar material, the transaction is called a sacrifice. But if one picks up three minor pieces or two rooks for it, the result is simple material gain — not anything worthy of the name sacrifice.

Even though experienced players know this well, they are still beguiled by the magic aura surrounding the queen. An example is to be seen in the game between Sergey Kudrin, a Stamford, Conn., grandmaster candidate, and Anthony Sady, a Los Angeles international master, from the first round of the New York International Tournament.

What started out as a Caro-Kann Defense with 1... P-QB3 quickly transposed into a Semi-Classical Defense after 7... P-K3. There is no theoretical advantage to this switching from a kingside to a queenside opening, but perhaps Kudrin wanted to test the range of his opponent's opening preparation.

The exchange with 10... N-N3; 11 P-N3 transformed the white queenside pawn structure — the QP was no longer isolated, but the isolated pawn couple at White's QB3 and Q4 was still a possible target for later positional pres-

sure. Meanwhile, White's slight advantage in space gave him some prospects for a kingside attack.

On 14... Q-B2, it was well known that 14... P-N3 is the correct counter to 14... P-KR3, when 15... Q-K2 produces the serious threat of 16... Q-K4!

After 17... Q-Q2, the accepted way for Black to proceed would have been 17... N-R4, aiming for an outpost on the half-open QB file with 18... N-B5. On the other hand, Sady's choice, 17... P-K4, started a sharp attack in the center but weakened his king position along the K-N1-QR7 diagonal, as will be seen.

Kudrin was inspired to offer a gambit with 18... P-KR4, the 25... N-B7! allows 26... R-K3h, B-B1; 27 RxBmate. On 25... K-B1; 26... B-N3, Sady was forced to part with decisive material. He chose to drop two exchanges by 26... B-B2; 27 Nfch, K-N2; 28 NaxQ, K-N1, but after 29... R-Qch, more had to go.

Seeing that 29... K-K2; 30 R-Kch would cost him a piece, as would 29... K-B4; 30 B-B2ch, Sady gave up.

## BOARD

## Baseball

## League Line Scores

## Major League Leaders

## National League

## American League

## National League

## American League

## National League

## American League

## National League

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## National League

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## American League



SPORTS

Ojeda Blanks Angels

Compiled by Our Staff From Dispatches  
ANAHEIM, California — Dwight Evans and Tony Armas hit home runs to back Bob Ojeda's three-hit pitching Sunday as the Boston Red Sox beat the California Angels, 3-0, for a sweep of their three-game series.

The shutout was the fourth of 1984 for Ojeda (8-7), making him the American League leader. In blanking the Angels for the second time this season, he gave up singles to Juan Beniquez in the first and sixth innings and Mike Brown in the fifth. The left-hander did not issue a walk and struck out four.

Wade Boggs singled off lower Jim Slaton (3-4) with two outs in the sixth and Evans followed with his 19th homer of the year to right center. Armas led off the seventh with his 27th home run, a shot far over the left-field wall.

Evans had three of the six hits off Slaton, who struck out three and walked once (he has not walked a better in 22 consecutive innings). The Red Sox finished their season series with California by winning 9 of the 12 games — in which Evans drove in 17 runs.

Yankees 6, Twins 5  
In New York, Willie Randolph lined a two-out ninth-inning single and Bobby Meacham scored from first when right fielder Tom Brunansky allowed the ball to get past him, giving the Yankees a 6-5 victory over Minnesota. Brunansky's error allowed the sixth unearned run of the game. New York tied the score, 5-5, with two unearned runs in the sixth (left fielder Mickey Hatcher dropped a liner and shortstop Houston Jancez lost a pop-up to in the run). The Twins scored two unearned runs in the first (center fielder Vic Matus misplayed a single and first baseman Ken Griffey booted a grounder) and one in the fourth (shortstop Meacham's throwing error). Joe Cowley (1-0) gained his first American League victory with four innings of hitless relief. He struck out three, walked one and allowed only one ball out of the infield.

Indians 4, White Sox 1  
In Cleveland, George Vukovich's two-run single in the sixth backed Neal Heaton's three-hit pitching as the Indians downed Chicago, 3-1. With one out in the sixth, Julio Franco drew a walk off Gene Nelson (1-3). Pat Tabler was safe on a fielder's choice and took third on Mel Hall's bloop double to right before Vukovich delivered his line single to left. Heaton (7-5) struck out four and walked two in pitching his third complete game of the year. After Carlton Fisk's 10th home run produced the lone White Sox run in the third, Heaton retired 18 of the next 19 batters.

Tigers 2, Rangers 0  
In Arlington, Texas, Don Perry (13-4) gave up four hits over 8½ innings and Dave Bergman homered on Charlie Hough's second pitch of the game to propel Detroit to a 2-0 decision over Texas. Hough (10-8) allowed only two hits, but with one out in the Tiger third

he walked Bergman and balked him to second; after Ruppert Jones walked, Kirk Gibson singled to load the bases and Hough uncorked a wild pitch that plated Bergman and made it 2-0.

Royals 8, Orioles 4  
In Kansas City, Missouri, Greg Pryor and Darryl Motley each singled in two runs during a five-run fifth that carried the Royals past Baltimore, 8-4.

A's 5, Brewers 4  
In Oakland, California, Bill Almon led off the seventh with his third home run of the year and Dave Kistner hit his major league-leading 28th to pace the A's to a 5-4 victory over Milwaukee.

Blue Jays 5, Mariners 3  
In Seattle, Cliff Johnson's three-run homer capped a five-run fifth that beat the Mariners for Toronto, 5-3.

Mets 7, Reds 6  
In the National League, in Cincinnati, Darryl Strawberry's two-run eighth-inning home run made New York a 7-6 winner over the Reds. The Met outfielder has hit 15 homers this year — and 6 of them have been against Cincinnati. New York has won 13 of its last 16.

Giants 11, Cubs 5  
In Chicago, Joel Youngblood had a home run, double and single and pitcher Mike Krukow had two hits, including a run-scoring double, to pace San Francisco's 11-5 rout of the Cubs.

Pirates 5, Padres 1  
In Pittsburgh, Doug Frobel's one-out, 11th-inning double off Goose Gossage drove in Tony Pena to give the Pirates a 3-2 verdict and a doubleheader split with San Diego. In the 5-1 opener, Ed Whitson and two relievers combined on a five-hitter and Steve Garvey and Graig Nettles each drove in a run in the sixth.

Phillies 6, Braves 2  
In Atlanta, Steve Carlton pitched two-hit ball over eight innings as Philadelphia stifled the Braves, 6-2. The only hits allowed by Carlton (9-4) were a two-out double by Dale Murphy in the fourth and a single by Glenn Hubbard in the fifth, when the Braves scored on a wild pitch. Al Holland gave up the homer to the Phillies, giving up a ninth to Bob Watson. Carlton's 39th lifetime victory moved him ahead of Charles Radbourn and into 10th place on the all-time victory list.

Cardinals 7, Dodgers 6  
In St. Louis, Tito Landrum and Darrell Porter each had two RBIs in a six-run seventh as the Cardinals rallied and then held on to nip Los Angeles, 7-6.

Astros 6, Expos 1  
In Houston, Joe Nickro pitched a five-hitter and Denny Walling drove in two runs to pace the Astros' 6-1 defeat of Montreal. Houston broke the game open with a four-run third on RBI singles by Walling, José Cruz, Ray Knight and Nickro. It was the fourth complete game of the year for Nickro (10-8).

Proud Romanian Olympic Contingent to Walk a Tightrope

By George Vecsey  
New York Times Service  
LOS ANGELES — Ever since a spry named Nadia Comaneci first twirled and tumbled into the consciousness of the world at the 1976 Summer Games, her nation of Romania has occupied a special place in the hearts of all who saw her and loved her.

For quite another reason, the nation of Romania will be the focus of world attention at the 1984 Games that begin this weekend. Following the Soviet Union's decision not to attend, Romania will be the only Warsaw Pact nation to appear at the Games; its athletes and its blue-and-yellow-and-red flag are expected to be greeted warmly every time they appear, as a gesture from the West to the small Eastern nation that dared to come.

The Romanian delegation can acknowledge the lasting impact of Comaneci, now 22 and retired, who will be present at the Games as a guest of the Los Angeles organizing committee. But it seems clear that the Romanian delegation cannot fully acknowledge the outpouring of respect and happiness that will certainly follow it through the Games.

To accept the congratulations would be to admit an act of defiance. The Romanians are here, but they are not treating it as any political action, any rebuff to the Eastern bloc. They are here, they say, because they are sportsmen who believe in the Olympic ideal of competition.

"We have no reason not to participate," said Haralambie Alexa, president of Romania's Olympic committee. Sunday at an interview that began with coffee and ended with champagne.

He seemed to be asking that Romania not be treated as a rogue nation but as a serious Olympic competitor, and he has a basis for his request. Romania won 27 medals in Montreal in 1976 and 25 in Moscow in 1980 and in the absence of the Soviet Union and East Germany, is one of the major powers here behind the United States.



Members of the Romanian handball squad loosening up at the U.S. Olympic village.

The Romanians have brought more than 127 athletes, including two gymnastic hopefuls, Lavinia Agache and Ecaterina Szabo, and a world long-jump record holder, Anisoara Stancu. Alexa made it clear that Comaneci was not an aberration, a shooting star who happened to erupt from a small nation.

"As you know, our country attended all the Olympic Games starting with 1924," he said through a translator. "Of course, the presence of Romania before World War II was more or less symbolic, and the successes have been the result of individual efforts."

Comaneci returned on May 6 and is now taking examinations to become a teacher, he said. Her success "stimulated sports activity in our country." There are now six gymnastics training centers in a nation of 22 million, and one day "there will be a Nadia Comaneci School of Gymnastics," he said.

He made no prediction about gold medals at these Games, except to say that "we have a pretty good chance in some sports" — and he listed nearly a dozen. Later he said, "In my country we have a saying: 'Let the facts speak for themselves.'"

The most staggering fact of all is Romania's presence. According to reporters who have long followed Eastern Europe, Romania has tried to maintain the level of independence that led to its not participating in the occupation of Czechoslovakia in 1968.

According to reports, there was a meeting April 5 of Eastern bloc nations in Moscow, where non-participation in the 1984 Summer Games was discussed but no decision was reached. On May 8, the Soviet Union announced it would not attend, leading to other Eastern nations making the same decision.

But day by day, Romania made no announcement. On May 24, there was a meeting in Prague, where Romania said it would go to Los Angeles. Alexa has been quoted as saying "I'd like you to know there have been no pressures on us." He reiterated that idea Sunday.

"We decided on our participation independently, on our own," he said, reading from a statement. "It is not a new element to come to Los Angeles, since we have participated in all Olympic Games. We have no reason not to participate."

The attendance at Los Angeles "was a very positive echo of response that our nation is totally behind the policy of having contacts with the world. Our nation has a very long history of independence. For 2,000 years they have struggled to be independent. In the spirit of these principles of our country, it is in this context that the participation must be seen."

Alexa said there was no great demonstration of joy by athletes or the public over the trip to Los Angeles because "they have been preparing four years."

"There was a consistency," he said. "It wasn't news. It wasn't a shock."

Then there was a loud pop, followed by Albu Iulia champagne's being poured into Romanian glass goblets.

"Noroc," Alexa said — the Romanian word for "cheers." He toasted friendship and sports, not defiance. The champagne was cool and dry and immaculate. So were the politics.

SPORTS BRIEFS

Czechoslovakia Keeps Federation Cup

SAO PAULO (AP) — The team of Hana Mandlikova and Helena Sukova beat Australians Wendy Turnbull and Elizabeth Sayers, 6-2, 6-2, here Sunday to lead defending champion Czechoslovakia to victory in the finals of Federation Cup tennis tournament, the Davis Cup of women's tennis.

VANTAGE POINT/Thomas Boswell

The Old Course Points to Golf's New One

Washington Post Service  
ST. ANDREWS, Scotland — It's midnight Sunday over the Old Course, and the sun's afterglow still lights up the whole purple horizon of the North Sea.

The grandstands around the 18th green will still be outlined against the sky for another hour or so. Almost before you can believe it, the sun will be back up again at 3 A.M.

Scotland's midnight sun and its slim two hours of summer night are not the only shocks for an American at the British Open. Just as many Americans don't know that St. Andrews is as far north as Labrador or that St. Andrews University is as elite as Princeton, so most U.S. golf fans have no glimmering of the international prestige of the British Open.

Or the entirely justifiable reasons for its status.

Among the four major tournaments, only the U.S. Open still stands above the British Open.

In 1960, when Arnold Palmer led a legion of U.S. players here — more from respect for tradition than hope of prize money — the British Open was a dying institution.

Palmer saved it. These days, the U.S. Open had better watch its step if it wants to remain No. 1. "This is the real world series of golf," Tom Watson said Saturday. So it is.

This year's field of 156 had the best of the U.S. tour as well as the best players from Europe, Australia and Japan. The day is gone when the huddler-best player on the U.S. tour is automatically superior to the best players from the "lesser" tours. Golf has become truly international.

Australian Greg Norman, in his first year on PGA tour, has been a scourge. Britain's Nick Faldo has had eight top-20 U.S. finishes this season — and he hasn't played full time. West German Bernhard Langer, second here, came to the United States for just six weeks this spring and finished fifth, 19th, 15th, third and sixth.

Severiano Ballesteros, thought to be on the skids in the United States, has finished second at the Memorial and third at both the TPC and the Tournament of Champions. His \$107,660 in prize money in only 12 tournaments is not a bad slump at all. And on Sunday, of course, he won the British Open.

Although the U.S. circuit is the big league of golf, the sport needs a great tournament that's played on what amounts to a neutral site — a place where Americans don't have home cooking, home crowds and home conditions. That's what the British Open is.

Only four of 1984's top 13 finishers were Americans: Watson (tied for second), Lanny Wadkins and Fred Couples (tied for fourth) and Mark McCumber (eighth).

Just as the game needs a venue where tweed and sandstone replace polyester and chrome, so the sport also needs an alternative to the monotony of the kind of target golf played in the United States.

On the PGA circuit, conditions are so lush that shots landing in fairways or on greens rarely bounce more than a few yards. You pick a target and put the ball on it. The game is played entirely through the air. The emphasis is on power and accuracy; ultimately, that's the best and most athletic way to design the game. That's why the United States still produces most of the best golfers.

But it's not the only way to play. The answer is to play run-up shots along the ground. Every hole here can be reached on the bounce.

The fact that the best players from the U.S. tour have owned the British Open trophy almost exclusively since 1961 is proof that the version of the game here is compatible with the abilities of players like

Key to the Moon Wins Queen's Plate

TORONTO (AP) — Key to the Moon won Sunday's 125th running of the Queen's Plate by a half-length over favored Let's Go Blue. Key to the Moon took the lead straightening for home and held off Let's Go Blue in a long stretch drive. The winner covered the 1 1/4 miles in 2:03 4/5 over a fast, Woodbine Racetrack surface. Ten Gold Pools finished third in the field of 14, followed by Val Danusant and Cool Northern.

Whitworth Sets Golf Victories Record

ROCHESTER, New York (AP) — Kathy Whitworth on Sunday took the all-time lead for victories by a professional golfer by winning a Ladies Professional Golfers Association tournament here.

Seve Ballesteros



Seve Ballesteros ... Not much of a slump at all.

SCOREBOARD

Baseball

Sunday's Major League Line Scores

AMERICAN LEAGUE									
Texas	4	0	0	0	0	0	0	0	0
Detroit	3	2	0	0	0	0	0	0	0
NATIONAL LEAGUE									
San Diego	2	0	0	0	0	0	0	0	0
Pittsburgh	1	0	0	0	0	0	0	0	0
Los Angeles	1	0	0	0	0	0	0	0	0
San Francisco	1	0	0	0	0	0	0	0	0
Philadelphia	1	0	0	0	0	0	0	0	0
Atlanta	1	0	0	0	0	0	0	0	0
St. Louis	1	0	0	0	0	0	0	0	0
Chicago	1	0	0	0	0	0	0	0	0
Montreal	1	0	0	0	0	0	0	0	0
San Diego	1	0	0	0	0	0	0	0	0
Pittsburgh	1	0	0	0	0	0	0	0	0
Los Angeles	1	0	0	0	0	0	0	0	0
San Francisco	1	0	0	0	0	0	0	0	0
Philadelphia	1	0	0	0	0	0	0	0	0
Atlanta	1	0	0	0	0	0	0	0	0
St. Louis	1	0	0	0	0	0	0	0	0
Chicago	1	0	0	0	0	0	0	0	0
Montreal	1	0	0	0	0	0	0	0	0

Tennis

Federation Cup

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190 100 200-5 1	0	0
Arakawa and Brecher, Tracy, Reuss (15)		
Knott (7), Frazier (9), and L'Orsini, W.		
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U.S. Pro Championships

QUARTERFINALS									
Aaron Krickstein	U.S.	del. Jimm	Arac	U.S.	del. Jimm	Arac	U.S.	del. Jimm	Arac
John Lutz	U.S.	del. Jimm	Arac	U.S.	del. Jimm	Arac	U.S.	del. Jimm	Arac
John Lutz	U.S.	del. Jimm	Arac	U.S.	del. Jimm	Arac	U.S.	del. Jimm	Arac

Transition

BASEBALL									
Baltimore	1	0	0	0	0	0	0	0	0
San Diego	1	0	0	0	0	0	0	0	0
Los Angeles	1	0	0	0	0	0	0	0	0
San Francisco	1	0	0	0	0	0	0	0	0
Philadelphia	1	0	0	0	0	0	0	0	0
Atlanta	1	0	0	0	0	0	0	0	0
St. Louis	1	0	0	0	0	0	0	0	0
Chicago	1	0	0	0	0	0	0	0	0
Montreal	1	0	0	0	0	0	0	0	0

Hotels

HOTEL ACCOMMODATION									
Hotel Americana	1	0	0	0	0	0	0	0	0
Hotel Americana	1	0	0	0	0	0	0	0	0
Hotel Americana	1	0	0	0	0	0	0	0	0
Hotel Americana	1	0	0	0	0	0	0	0	0

Standings

AMERICAN LEAGUE									
Texas	4	0	0	0	0	0	0	0	0
Detroit	3	2	0	0	0	0	0	0	0
NATIONAL LEAGUE									
San Diego	2	0	0	0	0	0	0	0	0
Pittsburgh	1	0	0	0	0	0	0	0	0
Los Angeles	1	0	0	0	0	0	0	0	0
San Francisco	1	0	0	0	0	0	0	0	0
Philadelphia	1	0	0	0	0	0	0	0	0
Atlanta	1	0	0	0	0	0	0	0	0
St. Louis	1	0	0	0	0	0	0	0	0
Chicago	1	0	0	0	0	0	0	0	0
Montreal	1	0	0	0	0	0	0	0	0
San Diego	1	0	0	0	0	0	0	0	0
Pittsburgh	1	0	0	0	0	0	0	0	0
Los Angeles	1	0	0	0	0	0	0	0	0
San Francisco	1	0	0	0	0	0	0	0	0
Philadelphia	1	0	0	0	0	0	0	0	0
Atlanta	1	0	0	0	0	0	0	0	0
St. Louis	1	0	0	0	0	0	0	0	0
Chicago	1	0	0	0	0	0	0	0	0
Montreal	1	0	0	0	0	0	0	0	0

Football

CFL Standings

EASTERN DIVISION									
Atlanta	1	0	0	0	0	0	0	0	0
San Diego	1	0	0	0	0	0	0	0	0
Los Angeles	1	0	0	0	0	0	0	0	0
San Francisco	1	0	0	0	0	0	0	0	0
Philadelphia	1	0	0	0	0	0	0	0	0
Atlanta	1	0	0	0	0	0	0	0	0
San Diego	1	0	0	0	0	0	0	0	0
Los Angeles	1	0	0	0	0	0	0	0	0
San Francisco	1	0	0	0	0	0	0	0	0
Philadelphia	1	0	0	0	0	0	0	0	0

TRANSO

TAX FREE CARS

Atlanta, Atlanta



